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THE AMERICAN PROSPECT

MAY 2004

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is making the world less safe and less free.

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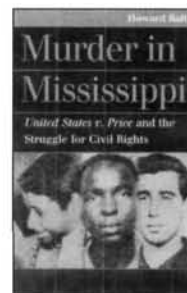
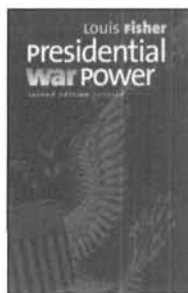
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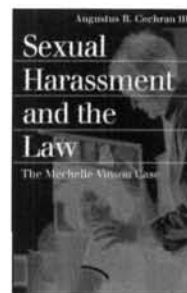


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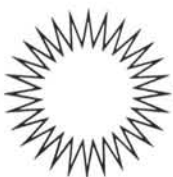
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"Inhofe is hardly Galileo. His involvement in a lawsuit seeking to suppress a groundbreaking report on climate change arguably puts him more on the side of Galileo's oppressors." PAGE 28

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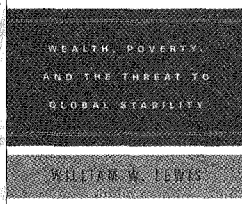
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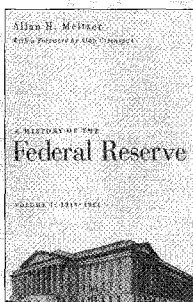
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Step Back

How long is the United States going to be in Iraq? And in whose hands and what shape are we going to leave it? Recent events ought to force us all to re-examine these questions no matter whether we opposed or supported the original invasion.

As this magazine goes to press (April 12), U.S. forces in Iraq are facing battles on two fronts, with a new insurrection in Shia cities in addition to continued resistance in the Sunni heartland. Whether the Shia uprising will be a short-lived episode or the beginning of a protracted struggle is not yet clear. But it is all too plain that we have made no progress in creating an Iraqi political leadership or security force capable of maintaining the authority of a new government.

Before undertaking the simultaneous campaigns against the Shiite cleric Muqtada al-Sadr and his militia and against the Sunni center in Fallujah (where four Americans had been brutally murdered), the U.S. occupation forces reportedly did not consult the Iraqi Governing Council, even though these are presumably the leaders who will form the country's sovereign government in less than three months. Shortly after the attacks began, prominent members of the council called for an end to military action and to "collective punishment" (an allusion to the massive U.S. assault on Fallujah, which left hundreds dead).

The same patterns of unilateralism repeat themselves. Just as the Bush administration undertook the original invasion without international support, so it apparently saw no need (or perhaps no hope) of obtaining the approval and cooperation of our Iraqi allies for these military campaigns. The new Iraqi police and army were nowhere to be seen in putting down the insurrection; one battalion refused to fight, and some police actively supported the rebellion.

And so, a year after the fall of Saddam Hussein, U.S. soldiers find themselves, without indigenous partners, in the tragic and absurd position of fighting in densely populated urban areas against Iraqis who were not our enemies a year ago. America will surely prevail in any contest of arms. But it is a false triumph if, in the process of imposing control, we create more enemies and further undermine the legitimacy of any new government we support. We can conquer cities only to discover that they

are lost to insurgents as soon as our troops leave.

Rather than stepping up a military offensive, the United States ought to be stepping back. We need to step back from engaging every "enemy" stronghold and setting off a spiral of conflict and hatred. Any increase in U.S. force commitments ought to be strictly temporary. Although it is now far more difficult than it was earlier, we should be doing everything possible to transfer military and peacekeeping operations in Iraq to an international force.

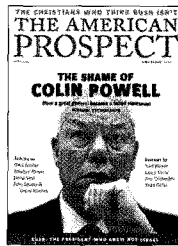
The June 30 deadline for transferring sovereignty has clearly become a sham. We need a target date, however, not merely for a ceremonial transition but for a genuine end to the U.S. occupation. The prevailing view among many commentators has been that even if the war was wrongly conceived, we have to stay in Iraq for however long it takes to fulfill the promises of democracy. But to Iraqis who do not trust America's good intentions, this kind of commitment seems more like a threat to occupy their country and dictate its political life indefinitely.

Even if we are able to set up a model democracy in the near term, we have no way to ensure its survival unless we police Iraq for years to come. A decade of American supervision might not be enough to transform Iraq's political culture. I do not believe that the American people, much less Iraqis, have the stomach for the violence we will have to inflict in the interim to reach this objective, if it is possible at all.

The U.S. departure from Iraq does not need to be put off indefinitely, nor does it have to be an ignominious retreat. If America—or better yet, an international peacekeeping authority—can leave Iraq under a stable government that is not actively malevolent and brutal toward its own citizens and hostile to the West, we will have done enough. We need to pull back from inflated ambitions as well as from misconceived pacification efforts and extricate ourselves as rapidly as possible from the mess that President Bush has created.

—PAUL STARR

**We need a target
date not for a
ceremonial transition
but for a real end
to the occupation.**



"President Bush talks about faith in Christ but fails to walk it in dealing with the economic struggles of millions of Americans."

—DAN HOLLAND, Via e-mail

Correspondence

This Guy Knows

JASON VEST LET THE intelligence community off the hook in his recent piece on the fallout from the Iraq War intelligence fiasco ["The Wrong Target," April 2004]. There is no doubt that George W. Bush and his senior advisers cherry-picked the most alarmist intelligence and sold it to the public and the Congress to justify a long-standing decision to oust Saddam Hussein. But the fact remains that the prewar intelligence failure on Iraq was one largely of the intelligence community's own making, the latest episode in a string of Islamic-world intelligence failures going back to the fall of the shah in 1979.

The intelligence community's reliance on dubious Iraqi "intelligence sources," such as the Iraqi National Congress' Ahmad Chalabi, contributed directly to the illusion that Iraq retained significant weapons-of-mass-destruction stockpiles. When I left the CIA in October 1996, the intelligence community had already been told by Hussein Kamel, Saddam Hussein's now-deceased son-in-law, that all remaining weapons-of-mass-destruction stocks had been destroyed in 1991 on his order. I will freely admit that even I did not believe Kamel in 1995, but after the intensive inspections that followed through

1998, then again in 2002, I began to wonder if Kamel had been telling the truth after all. Pity the same re-evaluation didn't take place before more than 600 Americans lost their lives and 3,500 more received life-altering wounds fighting an unnecessary war.

Unless our intelligence community is challenged to justify the "batting average" of its sources, more such tragedies are sure to follow. Every four years, we can at least change the political cast of characters making such life and death decisions. At present, our intelligence-community bureaucrats face no such music. Perhaps a President Kerry will change that.

PATRICK G. EDDINGTON
Alexandria, VA

[Note: The author was a military analyst with the CIA from 1988 to 1996, specializing in Persian Gulf security issues.]

Bum Steer

LAURA SECOR'S REVIEW of Chalmers Johnson's *The Sorrows of Empire* ["Foreign Discomfort," April] was extremely misleading. The subject of the book is the alarming growth of "militarized and secret institutions" within the executive branch that "conflict with America's democratic structure of government and distort its culture and basic values."

Accordingly, most of the book is devoted to documenting the privatization of military functions, along with the profiteering and the loss of accountability and transparency that inevitably result; the interpenetration of the defense industry and the upper reaches of the military bureaucracy, which creates an enormous and powerful constituency for expanding military budgets; the increasing difficulties of legislative and citizen oversight when confronted with an unprecedented degree of Pentagon secrecy and disinformation; the relentless expansion of bureaucratic prerogatives by the Defense Department, exemplified by the new diplomatic prominence of regional commanders in chief; and the greatly underreported proliferation of foreign bases and surveillance outposts, complicating and often corrupting U.S. relations with host countries.

Nothing of this—nothing at all—appears in Secor's review, not even in the form of caricature or casual dismissal. It simply goes unmentioned. Instead, she sneers at Johnson's indulgence in "conspiracy theories." There is no trace of a conspiracy theory in *The Sorrows of Empire*. Here, as in many similar cases, this phrase is merely the irritated reflex of someone who resents being asked to think past the conventional wisdom.

It would be a pity if *Prospect* readers were steered away from Johnson's valuable book by Secor's review.

GEORGE SCIALABBA
Cambridge, MA

Amen, Sister

YOUR WORDS ON THE front cover, "The Christians Who Think Bush Isn't," are a perfect description for Ayelish McGarvey's article "Reaching to the Choir" [April]. Personal experience confirms McGarvey's separation of evangelicals into "freestyle" (or moderate) and "Christian right" (or fundamentalist).

As for George W. Bush, it is not just difficult but actually impossible to reconcile his "compassionate conservative" rhetoric with his policies against the environment and women's rights, with his manipulation of the truth and outright lies, and with the great difference in his treatment of the rich and the poor.

Reconciliation between words and actions is possible only if one believes that Bush's spouting of the tenets of the Christian right are insincere and hypocritical, and this should be recognized by those of the Christian right. It's quite plain that Bush talks the talk but doesn't walk the walk. Isn't that important to them, or are they so bedaz-

zled by the words that they fail to compare them with the actions?

PATRICIA M. KOSTER
Williston, FL

IT WAS AN ENCOURAGEMENT to read, in my favorite news magazine, a positive article by Ayelish McGarvey about those of us evangelical (or, more appropriately, biblical or radical) Christians who are progressive or liberal Democrats. As a Vietnam combat veteran with the U.S. Marines and a member of the Vietnam Veterans Against the War due to my biblical Christian faith, I am a strong supporter of the presidential campaign of Senator John Kerry.

Scripture shows that Jesus dealt a great deal with the king (civil government) and his responsibility for the economic and social conditions of the people. President Bush talks about faith in Christ but fails to walk it in dealing with the economic struggles of millions of Americans.

Now is the day for change, and I hope that we will see a true change for the better this November.

DAN HOLLAND
Via e-mail

Get Real, Neal

NEAL GABLER'S "LIBERALISM'S Lost Script" [April] might be a fun piece if the conclusions weren't so


wrong. Gabler, who reduces American politics to the scripting of movies, argues that conservatives have turned liberals, typically understood as the party of optimism, into pessimists. Such a simplistic take forgets an ever-present strain of pessimism.

What about James Madison in *The Federalist Papers* and his warnings that humans are not angels and therefore need government to check selfish ambitions? What about Reinhold Niebuhr's critique of the unbounded self and his influence on Arthur Schlesinger Jr. (who happened to be an adviser to that supposed optimist JFK)? In a day and age when America is faced with the threat of Islamic fundamentalism, isn't an embrace of complexity and a pessimistic view of human beings deserved (as it was earlier in the face of Hitler and Stalin)?

Complexity and realism might make up a winning vision for liberals in the future. After all, American politics isn't Hollywood—or at least liberals shouldn't encourage it to be.

KEVIN MATTSON
Athens, OH

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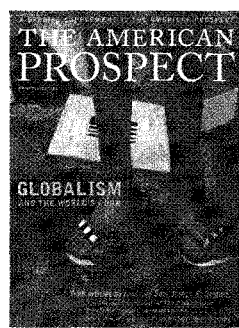
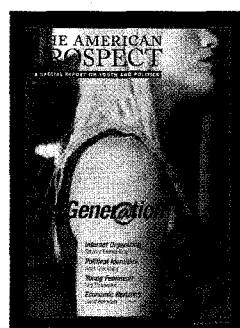
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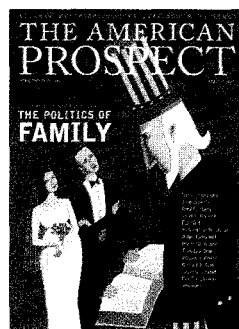
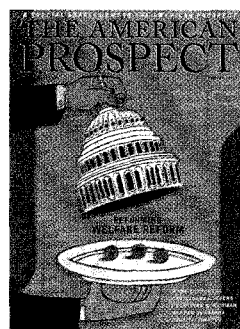
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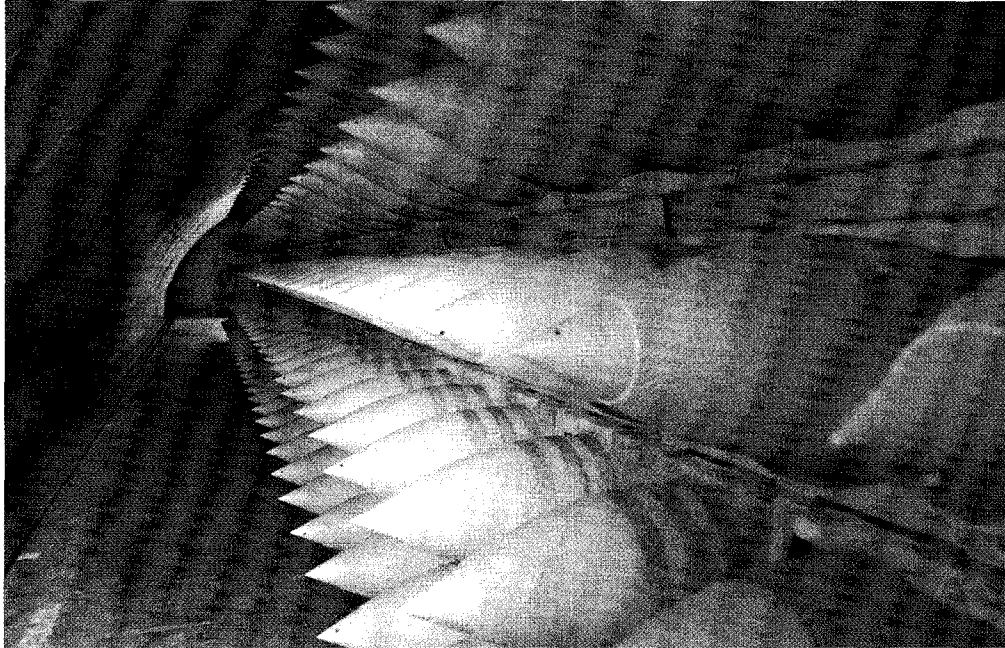
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Devil in the



Predator Cones: Shelves like these are looking awfully depleted because of Iraq.

Be Unprepared

JUST IN CASE OUR PLUNGE into Iraq hasn't already made you feel safer—what with all those weapons of mass destruction destroyed and all that Islamic rage dispelled—you might also consider the effect of the war on the readiness of U.S. and U.K. forces should a real military threat arise.

In Britain, generals and defense ministers say that the Iraq War has crippled the country's capability to send its military abroad. Testifying before the House of Commons, General Sir Michael Walker said that it

would take five or six years to put the British army back into fighting shape after the war and its aftermath.

"I think we have already accepted that we cannot do another large-scale operation now," he said in a report by *The Daily Telegraph*. "We are unlikely to be able to get to large-scale much before the end of the decade, somewhere around [20]08 or [20]09."

So contemplate a civil war in the Balkans or battles in Korea in which the United States would be without its closest ally.

Then contemplate the state of U.S. readiness.

Consider, for instance, the Army Prepositioned Stocks ("pre-po" for short). These are large sets of military equipment deployed around the world on container ships, ready to be sent to the battlefield at a moment's notice. In a crisis, war plans call for troops to deploy from the United States by air while this equipment steams to meet them, obviating the need for a massive sea transport from the United States.

But senior U.S. Army and

Marine Corps officials told Congress in late March that they had tapped into the pre-po stocks in order to outfit the units that fought in Iraq. The Army downloaded three of its five brigade-sized sets in order to fight in Iraq, and the Marines used equipment from 11 of their 16 pre-po ships. Nearly all of this equipment continues to be used by units currently in Iraq, meaning the Army and Marines can't begin the process of rebuilding these stocks. There is no target date for the Army and Marines to start putting their stuff back into their storage bins.

Congress' General Accounting Office thought the problem even more dire. "The Army used nearly all of its prepositioned ship stocks and its ashore stocks in Kuwait and Qatar, as well as drawing some stocks from Europe," according to William Solis, director of the office's Defense Management and Capabilities section. "It will be several years—depending on how long Iraqi Freedom operations continue—before these stocks will be available to return to prepositioning programs."

For at least the next three years, then, U.S. strategic options abroad will be limited by the depletion of the pre-po stocks. Without these stocks, U.S. units will

Details

"Unless he steps down, it's going to be hard to run as anything but an incumbent."

—A SENIOR REPUBLICAN
close to the Bush campaign

have to wait for their equipment to be shipped from their home bases, which, given the limited availability of cargo airplanes and transport ships, could make for some pretty long waits.

Bring your own flak jackets, guys and gals.

—PHILLIP CARTER

Insincere Monetary Fund

IF THERE'S ONE CAUSE with which the International Monetary Fund has become identified—aside from driving recession-plagued developing nations into depressions by prescribing the same fiscal remedies that worked so well for Herbert Hoover in 1930—it's transparency. You can read more about why "greater openness" is a good thing in the fund's April 2003 fact sheet "Transparency at the IMF." Clear laws on property rights, strict mandates for uncooked corporate books, on-the-level accounting—openness, the IMF always insists, is the prerequisite for a sound economy and foreign investment. (It wouldn't be so bad inside the United States, either.) Transparency is all.

But not, apparently, when it comes to the IMF itself.

After Managing Director Horst Köhler unexpectedly announced his resignation on March 4 (he decided to run for president of Germany), members of the IMF's executive board tried to figure out how to replace him. European finance ministers came up with two names—Jean Lemierre of France and Rodrigo Rato of Spain—and the board is expected to announce one of the two as their new director during their spring meetings on April 24 and 25 in Washington. Regardless of which man is chosen, two things are certain: A European will head the IMF, and, once again, the selection process will have been conducted in deep, dark secret.

"The process is clearly antiquated and should be more transparent," says Ken Rogoff, a Harvard economics professor who served as the IMF's chief economist from 2001–03. "There are good candidates from Latin America, India, and Europe. And even if they choose a European, it shouldn't be something Europeans decide behind closed doors. The process should be open. The legitimacy of the organization is undermined by the opaque process."

There are no hard-and-fast rules that say the managing director must be European. But it's been a tradition since the IMF was

founded. (The World Bank is customarily headed by an American.) People like Rogoff—and scores of others inside and outside the IMF—think the selection practice is misguided.

As Rogoff points out, the custom of installing a European dates from the

IMF's establishment at the end of World War II, when Europe and the United States were the world's sole economic forces. "But China's kind of moved up," he notes. "And Europe's economic independence has diminished." The continent now accounts for 20 percent of world in-

OFF THE WALL STREET JOURNAL

What do you do when the entire premise of your side's argument has collapsed? In this case you are *The Wall Street Journal*, and for two years you have been editorializing that an invasion of Iraq would bring democracy to the Middle East and combat terrorism.



Well, there's always the ad hominem argument. Condi Rice wasn't all that persuasive in her testimony before the 9-11 commission. So the *Journal's* editorialist took a whack at "Bob Kerrey's Vice Presidential audition." The paper also sniffed that the commission's Republican chairman, former New Jersey Governor Tom Kean (not a Bush loyalist), was "little schooled in defense and foreign affairs." Let's see, that would be compared with what other former Republican governor we might think of?

What about Dick Clarke's devastating testimony? The *Journal's* George Melloan dismissed it as an effort "to sell books and to shift blame for the 9/11 surprise from his own shoulders." Whatever Clarke's secondary motives, does anyone besides the *Journal* doubt that the man spent the better part of a decade trying to get someone in senior authority to take al-Qaeda seriously?

Rounding out its rogues' gallery, the *Journal* published the reliably bizarre Laurie Mylroie, arguing yet again for an al-Qaeda-Iraq connection pre-9-11. According to Mylroie, Richard Clarke "believes that Islamic terrorism is the work of a few individual criminals, many of them relatives." Really? Who else in America drew that inference from Clarke's book or his testimony?

We must heartily agree, however, with one *Journal* recommendation. According to the April 6 editorial, "Mr. Bush can send an important signal with his choice of who should [be] U.S. ambassador to Iraq ... We'd recommend Paul Wolfowitz ..."

Oh, yes. Soon. Please.

—Robert Kuttner



BRAVE NEW WORDS

ASYMMETRICAL TOOL Retired General Barry McCaffrey's military-speak reference to the tactic of burning the corpses of U.S. security guards in Fallujah, Iraq.

STRATEGIC APPROACH Condoleezza Rice's term for the Bush administration's policy of ignoring al-Qaeda until it was too late.

HISTORICAL INFORMATION Any information on terrorists provided at any moment in the past, up to and including a few minutes ago. See also, "is," debate on the meaning of.

come but 30 percent of the IMF's voting members.

Which may be why the IMF clings to the secretive methods it tells its members to avoid. Next thing we know, Antonin Scalia will be called in to break a tie.

—TARA MCKELVEY

Hit the Road, George

WHEN A GALLUP POLL reports that motorists are more concerned about road rage than drunk driving, you know that either rush hour's really bad or MADD's out of a job. Every year commuters idle away 3.6 billion hours and 5.7 billion gallons of gas stuck in traffic jams; congestion costs Americans \$67 billion annually. But if you think inhaling fumes on the cloverleaf will drive you daffy, try being a member of Congress with the chance to do something about it.

Earlier this year, as the 1998 Transportation Equity Act came up for renewal, legislators jockeyed for their state's piece of this commuter-pacifying, job-creating, road-building pie. The highway bill makes for popular election-year fare: It not only guarantees better roads but, through the

miracle of multipliers, every \$1 billion of federal funds invested in highway infrastructure generates 47,500 jobs and \$6.2 billion in economic activity—this in an economy with almost 800,000 unemployed construction workers.

Better yet, because grumbling gas pumpers have paid 18.4 cents tax per gallon into the Highway Trust Fund for the past 12 years, repairing roads won't even add to the ever-swelling deficit. Nonetheless, in a misguided attempt to show agitated fiscal conservatives that he *really* does care about our nation's debt, President Bush first capped the proposed bill at \$256 billion, and, when the House and Senate unveiled bigger bills, Bush cried veto. (To date, Bush has yet to veto a bill, and is reportedly curious to learn what this veto stuff is all about.)

The Senate brushed off Bush's threat and passed a six-year, \$318 billion bill anyway. The House didn't have it so easy. House Transportation and Infrastructure Committee Chairman Don Young initially proposed a \$375 billion bill, but with heat from the White House, he whacked it back to \$275 billion, with a provision allowing the committee to

consider increased funding again next year, post-election.

But goodbye money means goodbye projects, and Florida GOP representatives (among others), sensing they'd been left swinging in the tropical breeze, broke ranks, postponed floor debate, and dragged the GOP leadership behind closed doors to complain about low funding—in particular, their tiresome role as one of 28 populous "donor" states that pay more in fuel taxes than they get back. Even so, the bill passed the House on April 2 with a veto-proof 357-to-65 margin. Florida Republican John Mica, who voted for the bill, explained, "It's the biggest job creator that we could possibly pass in the House, and I think it's important to us not only for highways but also for the political season."

The bills head to conference at the end of April for yet another go-round. In the meantime, Bush might think twice before wheeling his campaign caravan through shortchanged swing states where pot-holes—and jobless construction workers—abound.

—HEIDI PAUKEN

With Stratagems Like These ...

WHILE MOST ATTENTION to Republican campaign tactics focuses on dirty tricks and coded appeals to the base, it's worth highlighting the third prong of the strategy: comically lame grass-roots efforts. Observe:

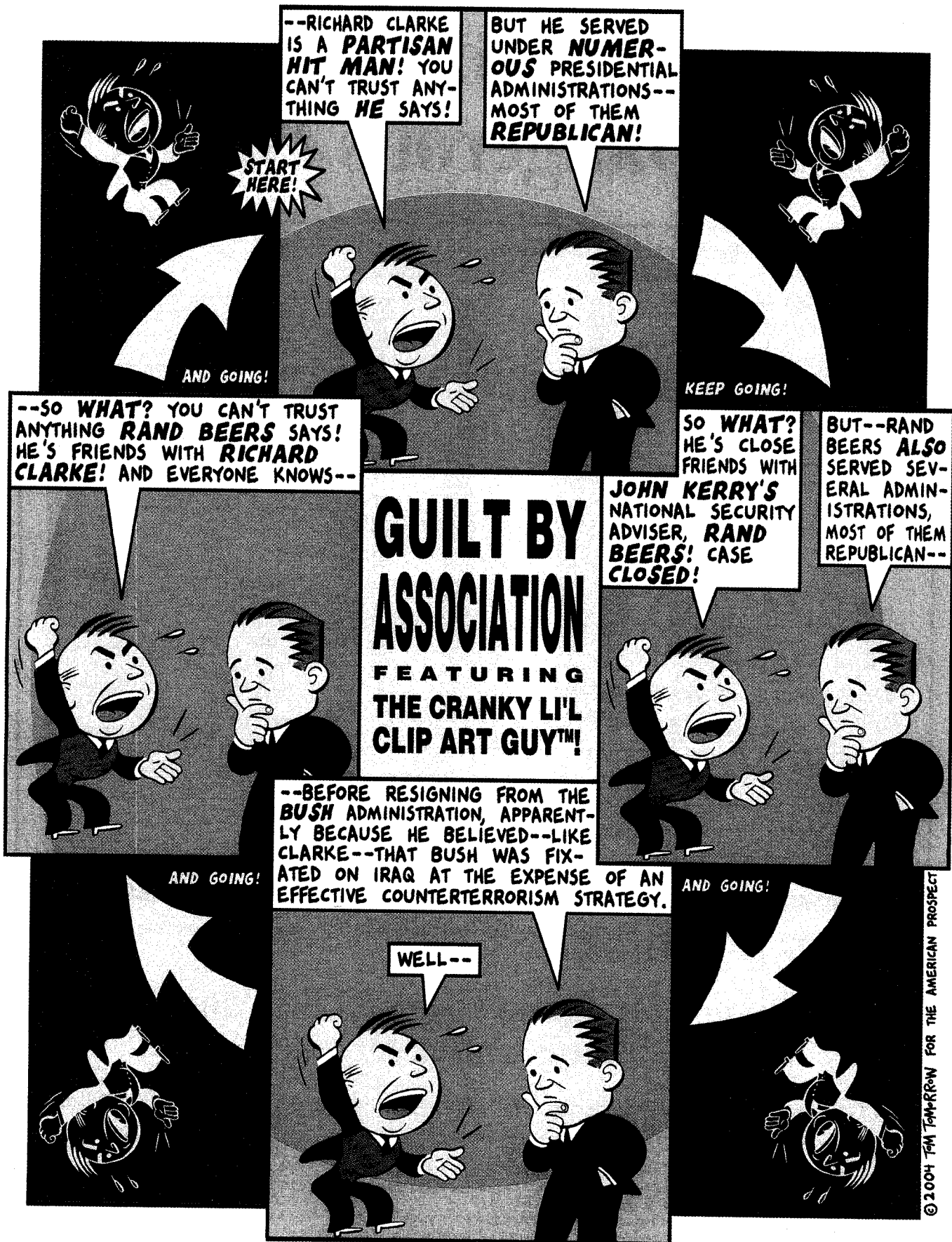
The Sloganator. Why hand out markers and poster board when you can offer personalized PDFs

with official Bush-Cheney '04 logos right there on the Bush campaign's Web site? The Sloganator may have initially produced a few harmless "Debutantes for Bush" signs, but the readers of www.wonkette.com soon corrupted the innocent poster generator. Decency standards restrain us from reprinting some of the best slogans, but we can report that, in one of W.'s less-reported flip-flops, the Sloganator was pulled in mid March.

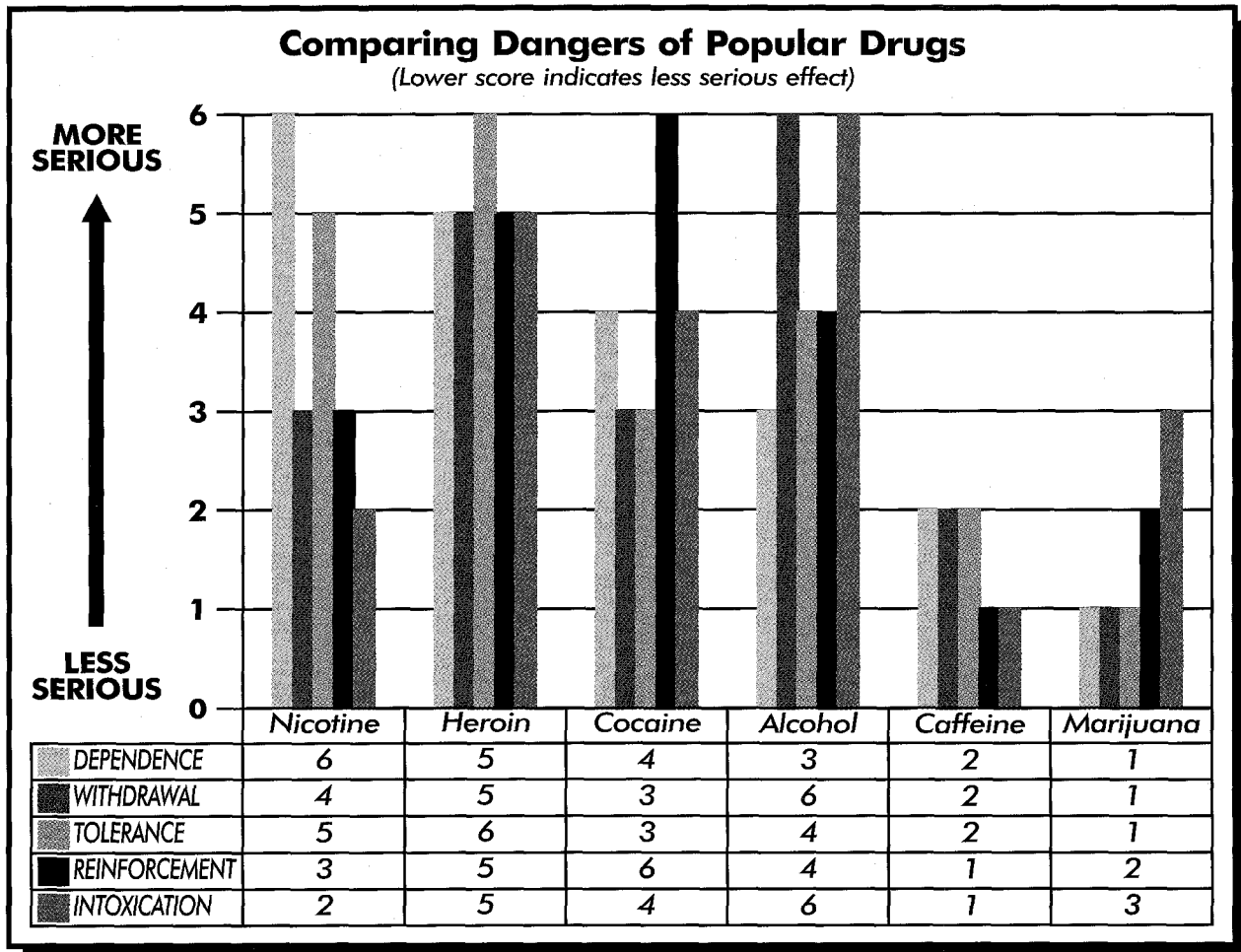
Party for the President Day. April 29 marks the first National Party for the President Day, a time for supporters to get together and "stand with President Bush and Vice-President Cheney." (Major donors, presumably, will be allowed to sit.) Registered grass-roots parties, the Web site insists, must remember to pay for any food or drink they consume. President Bush, according to campaign officials, is not observing the sacred day.

Girls GOP Wild. Campaigns on the Senate level are a bit livelier. Mark McBride, the current mayor of Myrtle Beach, South Carolina, is running on protectionism, abolition of the Department of Education, and frequent trips to Hooters. He's made the restaurants a regular feature of his primary campaign at the recommendation of Bob Brooks, the chairman of Hooters of America and McBride's biggest contributor. As campaign manager Brett Perry says, the stops are just "good old-fashioned, grass-roots, hand-shaking politics." McBride is currently polling around 2 percent.

—JEFFREY DUBNER



Do Our Drug Laws Focus on the Truly Dangerous Drugs?



Source: Dr. Jack E. Henningfield, Ph.D. for NIDA. Reported by: Philip J. Hilts, New York Times, Aug. 2, 1994
"Is Nicotine Addictive? It Depends on Whose Criteria You Use."

Does Jailing Marijuana Users Make More Sense than Jailing Coffee Drinkers?

www.CommonSenseDrugPolicy.org, www.DrugWarFacts.org, www.MedicalMJ.org

Mike Gray, Chair; Robert Field, Co-Chair; Kevin Zeese, President – 717-288-0600 – info@csdp.org

Dependence: How difficult it is for the user to quit, the relapse rate, the percentage of people who eventually become dependent, the rating users give their own need for the substance and the degree to which the substance will be used in the face of evidence that it causes harm.

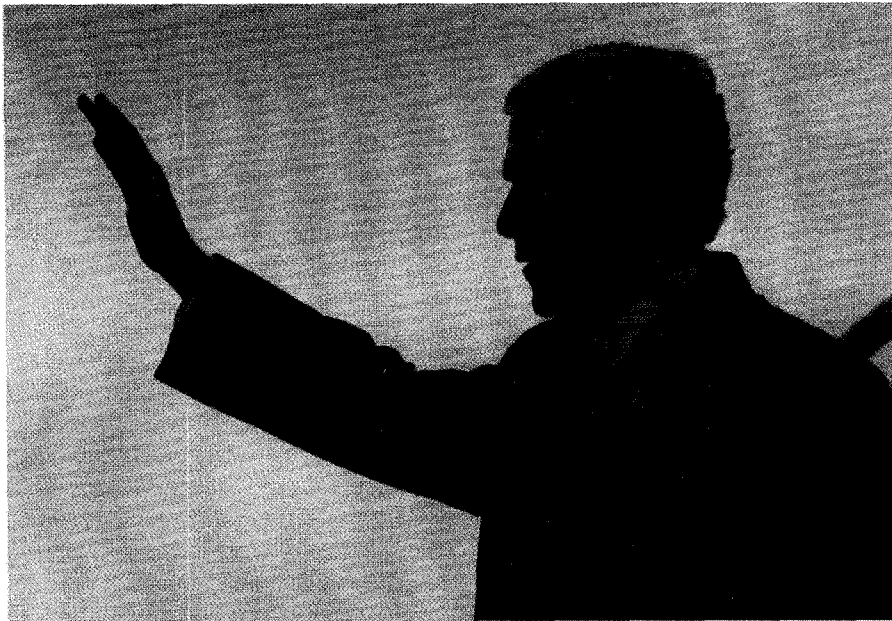
Withdrawal: Presence and severity of characteristic withdrawal symptoms.

Tolerance: How much of the substance is needed to satisfy increasing cravings for it, and the level of stable need that is eventually reached.

Reinforcement: A measure of the substance's ability, in human and animal test, to get users to take it again and again, and in preference to other substances.

Intoxication: Though not usually counted as a measure of addiction in itself, the level of intoxication is associated with addiction and increases the personal and social damage a substance may do.

Dispatches



Shadow President: Some prominent foreign-policy conservatives may wave goodbye to Bush this November.

Realistpolitik

Rising on W.'s right flank: the realists, libertarians, and traditionalists who oppose the neocons' imperial designs—and might even vote that way.

BY DANNY POSTEL

JOHN MEARSHEIMER, ONE OF THE PRE-eminent representatives of the realist school of international relations, voted for George W. Bush in 2000. But not this time. Come November, he's not only voting for John Kerry but "will do so with enthusiasm."

As a realist, the University of Chicago political scientist liked Bush's anti-empire rhetoric during the 2000 debates, and was displeased by Al Gore's support for the humanitarian interventions of the 1990s. But Bush's handling of foreign policy—particularly the Iraq War—has turned Mearsheimer and other realists into some of the adminis-

tration's sharpest critics. "[T]he more time goes by," he says, "the more Bush makes [Bill] Clinton look like a genius in both domestic and foreign policy."

Indeed, not only is the American right a house divided on Iraq but over the intensifying imperialist drift of U.S. foreign policy more broadly. A convergence of realists, libertarians, and traditionalists (or "paleocons") has taken shape in opposition to the neoconservative foreign-policy agenda. In October, they came together to form the Coalition for a Realistic Foreign Policy, which holds that "the move toward empire must be halted immediately."

Spearheaded by Christopher Preble,

director of foreign-policy studies at the Cato Institute, the coalition's signatories include Mearsheimer and fellow realist Stephen Walt of Harvard; Andrew Bacevich, author of *American Empire: The Realities and Consequences of U.S. Diplomacy*; Ted Galen Carpenter and Charles Peña of Cato; John Hulsman of The Heritage Foundation; Christopher Layne and Scott McConnell of Pat Buchanan's magazine, *The American Conservative*; and Jon Utley of the organization Americans Against World Empire. A handful of left-of-center types are also onboard, among them *Blowback* and *Sorrows of Empire* author Chalmers Johnson, Anatol Lieven of the Carnegie Endowment for International Peace, and former Colorado Senator Gary Hart.

"Empire is problematic," reads the group's founding statement (titled "The Perils of Empire"), "because it subverts the freedoms and liberties of citizens at home while simultaneously thwarting the will of people abroad." "The defenders of empire," it goes on, "assert that the horrific acts of terrorism on September 11, 2001, demand that we assume new financial burdens to fund an expansive national security strategy, relax our commitment to individual liberty at home, and discard our respect for state sovereignty abroad. Nothing could be further from the truth." The group calls for the United States to jettison its imperial designs and adopt in their place a "restrained and focused foreign policy" for the 21st century.

Members have gone public with their concerns. Writing in the October 6, 2003, issue of *The American Conservative*, Layne argued that the Bush administration's "go-it-alone hubris" and "sledgehammer diplomacy" have led to a "fiasco" in Iraq—"a]nd a foreseeable one at that." McConnell, that magazine's executive editor, wrote that with their "incessant

warmongering,” the “belligerent” neocons have “led the United States into an extremely perilous situation, perhaps the most dangerous in its history.” And Walt, in a talk before the Council on Foreign Relations, said that the case for the invasion of Iraq is “empty,” a “combination of bad history, inconsistent logic, wishful thinking, and old news.” The realists’ case against the war gained perhaps its widest visibility with the publication of Mearsheimer and Walt’s “An Unnecessary War” in the January-February 2003 issue of *Foreign Policy*, an article that radiated across the Internet and stirred far-reaching discussion.

Though this alliance against the expanding imperium is a work in progress, the phenomenon’s raw ideological ingredients are nothing new. Self-styled traditionalists or paleocons like Buchanan have been arguing since the end of the

Cheney from the realist camp to the neocon credo. Up until 9-11, the neocons “could get to first base with their agenda but no further,” Mearsheimer says. After the terrorist attacks, “they were able to make it all the way.”

Of course, the handful of conservative intellectuals who vote against Bush won’t change the upcoming election. The threat to the president’s support, says conservative commentator David Brooks, is in the “George Will wing” of the Republican Party—people, that is, who say, “‘We’re conservatives—we don’t think you can remake societies.’ ... And I do think there are a lot of conservatives who share that sense.” The conservatives Brooks is talking about didn’t oppose the war; it’s more the aftermath that worries them. (Though Will was a vociferous advocate of the administration’s drive to war, he did something of

ning to show among conservative elites and the masses are getting restless, judging from the polls. ... One wonders how much faith the insiders really have in the re-electability of their leader.”

BUT IT’S A FUNNY THING: DESPITE THESE symphonies of anti-war opinion on the right, these same voices have been largely absent from the conservative press. The op-ed page of *The Wall Street Journal* has carried only a single anti-war piece by a conservative. FOX News has had only one anti-war conservative on the air to opine about Iraq. (Pat Buchanan has appeared on *Hannity & Colmes* twice and *On the Record* once. *The O’Reilly Factor* has had two people from the Cato Institute who opposed the war, Preble and Peña, but neither was on specifically to discuss his opposition to the war.)

I asked Paul Gigot, the *Journal*’s editorial-page editor, for an explanation. “We ran the most influential anti-war op-ed by any conservative,” he replied, referring to the widely discussed August 15, 2002, piece by Brent Scowcroft, a quintessential realist who served as national-security adviser in the Ford and Bush Senior administrations. “We’re not an all-things-to-all-people op-ed page,” he says. “We’re not trying to censor any argument. We just have to deal with the major arguments”—and the libertarians and the paleocons “are not major points of view. I don’t look to the Cato Institute or any of their writers for instruction on foreign policy. Is libertarianism a school of thought, or is it four or five people in a phone booth?” As for the paleocons, says Gigot, “[E]ssentially they make the same argument as most of the people on the left do. When I read one of their pieces, it sounds to me like it could come right out of some parts—not all parts, but some parts—of *The Nation*.”

This should come as no surprise, say several conservative critics of the war. “*The Wall Street Journal* is like Pravda,” says Mearsheimer. “You don’t want to underestimate the importance of the Leninist model,” he says, with regard to the American right. “They don’t tolerate dissent.”

CHRISTOPHER PREBLE WANTS THE Coalition for a Realistic Foreign Policy to challenge the conservative party line,

The threat to Bush, says commentator David Brooks, is in the “George Will wing” of the GOP—conservative voters who “don’t think you can remake societies.”

Cold War that America should be “a republic, not an empire.” Libertarians, deeply suspicious of “activist” government, were consistently against all of the interventions of the 1990s—Somalia, Haiti, Bosnia, Kosovo, East Timor—and are positively choleric in their opposition to the global designs of Team Wolfowitz. And the realists have long maintained that the United States should go to war only when its vital national-security interests are at stake, with most realists believing that Iraq did not meet that standard. Realists figure prominently in the foreign-policy establishment, staffing institutions like the Council on Foreign Relations. The council, itself divided over the war, held a debate in February 2003, with the anti-war Mearsheimer and Walt squaring off against the neocon *Weekly Standard*’s William Kristol and Max Boot, who advocated invasion.

The first Bush administration, says Mearsheimer, was a “paradigmatic realist administration.” The current Bush administration “looked a lot like Bush I” in its first few months. The events of September 11, however, “flipped” Dick

a volte-face in a speech at the conservative Manhattan Institute in November 2003, when he expressed grave doubts about the larger democracy-spreading ambitions of the war’s neocon architects. He also regularly pelts frequent guest Richard Perle with incredulous demurals Sunday mornings on ABC’s *This Week*.) People in this camp “don’t have a sense that the White House knows what they’re doing” in Iraq, he says, adding that he detects a hard-to-quantify “coolness” toward Bush among conservatives around the country.

Divisions among conservatives have mattered politically in the not-too-distant past. Indeed, says Kenneth Hoover, a professor of political science at Western Washington University and a student of ideological tensions on the right, they “brought down [Margaret] Thatcher and [George] Bush Senior.” “Bush’s advisers are nervous about these splits,” he says, pointing to the administration’s “go-for-broke strategy to get through as much of their agenda on taxes and deregulation in the first term as possible.” He adds: “The cracks are begin-

and particularly the “empire fever,” currently infecting the country. “The time for debate,” the coalition states on its Web site, “is now”—a rallying cry the group’s members are attempting to discharge by hosting forums and conferences, publishing papers and articles, and appearing on television and radio to articulate the case against empire. On April 19, the group hosted an “American Imperium” conference on the campus of Swarthmore College.

Still, it’s by no means clear that all the group’s members are planning to vote for Kerry. Preble says he sees “no substantial difference” between Bush and Kerry on the issue of the war, and finds Kerry’s position on the occupation “less defensible” than Bush’s. Still, the coalition’s front man says he has “never been this conflicted” this late in the game, and that he hasn’t yet made up his mind between Bush and the Libertarian Party candidate.

In contrast, Harvard’s Walt, another member of the coalition, does plan to cast his ballot for Kerry. “He understands much better than the Bush administration does that, in fact, the United States, despite its preponderance of power, can operate most effectively when it operates with substantial international legitimacy and support,” explains Walt, who says he has voted for both Democrats and Republicans in the past. Team Bush, he says, has “presided over a deterioration of the situation in the Middle East, a dramatic deterioration of America’s overall image overseas, in every part of the world.” He adds, “I don’t think there’s been an administration that had as much contempt for the truth, in policy terms, as this one. ... [W]hy would you believe anything a senior administration official told you?”

The war was the single issue on which Pat Buchanan says he could have agreed with a Democrat, but given Kerry’s support for it, Buchanan says he “simply could not” vote for the senator. At the same time, he adds that there is “no conservative party in Washington today.” Buchanan disagrees with Bush not only over Iraq but on trade, immigration, and the deficit—issues on which he says the president is “very vulnerable from the right. ... I think you could run a populist-conservative campaign and siphon off enough votes” to defeat Bush,

he says. Plenty of people have asked Buchanan why he’s not taking up the task himself, as he did four years ago. Last time around, he thought he could help build up the Reform Party. This time around, he’s less sanguine. “Why do it if all you’re going to do is elect John Kerry?” he asks. So, despite two-plus years of polemicizing against the president in his magazine, Buchanan sees nowhere else to go in November.

Thomas Fleming, president of the paleocon Rockford Institute and editor of its magazine, *Chronicles*, is with Buchanan vis-à-vis Kerry. But unlike his fellow paleocon, Fleming says that there is a “less than zero” chance of him voting for Bush. “You can’t let Kerry’s obnoxious qualities persuade you that Bush is somehow the lesser of two evils,” he says.

Whom does that leave? Fleming says that he’s “probably the only conservative in the world who’s considering voting

for Ralph Nader, who is “passionately sincere” and “patriotic in a way the Republicans are not.” (Though Buchanan is unlikely to vote for Nader, he is sympathetic to the independent candidate. “Ralph’s good,” he says, “on trade and on the war. ... I hope Ralph does well.”)

Walt disagrees with Preble that the two candidates are indistinguishable on foreign policy. “There are real, sharp differences,” he says, “in the way the country is going to move under a Kerry presidency. I might not think it was perfect, but I can’t imagine it wouldn’t be better.” ■

DANNY POSTEL is a contributing editor to *Dædalus*. He has written for *The Nation*, *In These Times*, *The Chicago Tribune*, *The Washington Post*, and *The Chronicle of Higher Education*, and is the editor of the forthcoming book *Why Kosovo Matters*.

John on the Spot

There’s no question that Democrats are united *against* George W. Bush. But that’s not quite the same thing as being united *for* John Kerry.

BY SARAH WILDMAN

THEY SAY THAT JOHN KERRY HAS THE entire Democratic establishment, and even some outliers, in his corner. “I personally have never seen the Democratic Party more united,” says one party strategist. “As in ever.” Swearing that the intraparty squabbling of the last decade is over, allegiance to the candidate has come from all corners.

But “party unity” doesn’t equal “defined candidate.” And at the beginning of April, as this issue went to press, Kerry’s message had yet to be firmly articulated. “It’s up to the campaign to make choices—clear choices—so that the campaign is not a themeless pudding,” says another top Democratic strategist. “No one wants to rerun the Gore campaign.”

Kerry has his work cut out for him. His party is most deeply divided on the very questions that will dominate the 2004 elections: foreign and economic policy. He’ll need to try to satisfy both wings

enough to keep them engaged in his campaign while at the same time coming up with a unified message that reaches crucial independents. So far he’s kept a tenuous hold on the party, but his message is still patchy, generally promoting a multilateralist foreign policy and a hard line on deficit reduction. In both arenas, he’s got to find a coherent ideology, and present it with force, if his bid to trump George W. Bush is to succeed.

TO DATE, KERRY’S TEAM HAS BEEN pushing a foreign-policy cocktail that is four parts anti-Bush policy, one part Clinton-era nation building, and a dash of honorifics to pre-Vietnam Democrats. But with the Iraqi occupation deteriorating, Kerry needs to offer detailed alternatives.

Kerry’s foreign-policy shop is led by Rand Beers, a former National Security Council counterterrorism adviser who

served four presidents before quietly quitting the Bush White House last spring. Beers' line on counterterrorism focuses on re-engaging America's allies, both on intelligence and in military action; reaching out to the Arab world; and routing out not just terrorists but the very roots of terrorism. Like his friend Richard Clarke, Beers has expressed the belief that Iraq was a dangerous diversion from the war on terrorism. These views have found their way into Kerry's stump speeches, with his multiple pledges to reach out to allies in Europe, the Middle East, and the United Nations to bolster U.S. credibility abroad.

A team of proxies are pushing this vision on Kerry's behalf. "I think what [Kerry] stands for," former State Department spokesman James Rubin told FOX's John Gibson in mid-March, are "the kind of policies that go back to Franklin Roosevelt, to the time after

signal that a Kerry presidency would not pull up stakes in Iraq and, in fact, might well stay longer than a second Bush administration would. It's an activist, internationalist approach that Kerry has also indicated he'd use with North Korea, which he has said he would re-engage with in direct talks, and in the Middle East, where his team has signaled a return to Clinton-era levels of engagement.

And yet, on most of these issues, details are still in fairly short supply. "Kerry has suggested that if we simply had a less unilateral and less arrogant president, that a lot of the anger would dissipate," says Michael O'Hanlon, a senior fellow at the Brookings Institution. "But I think the problem is deeper than that." O'Hanlon believes that to win, Kerry will have to reassure independent voters that he will stand his ground. "I don't think Kerry is going to win their

STILL, FOR ALL THE ANXIETY AROUND national security, voters consistently list economy and job security as their first priorities. Here, too, with the deficit spiraling and the economy shaky, Kerry has an opening to carve out a new agenda for the Democrats.

He has a historic choice between two lines of Democratic economic thinking: liberal deficit spending and public investment or moderate, deficit-reduction-first Rubinomics. Kerry is running as a deficit hawk because, with little effort, it highlights Bush's flawed economic agenda and the massive reversal from Clinton-era surpluses to escalating deficits. And unless the party's liberal wing can make him do otherwise, he's likely to govern that way. "The fiscal inheritance for Kerry will be terrible," says Alan Blinder, a Princeton University economist and one of Kerry's behind-the-scenes economics advisers. Blinder says the situation is worse than the one Clinton inherited in 1993 "for two reasons. ... One, the deficit is larger, substantially larger, but second, and more importantly, nothing has been done to deflect [its] upward trajectory."

To address this, in his speech at Georgetown University on April 7, Kerry announced a return to what economists call a "pay-as-you-go" (or "paygo") approach—instituting spending caps on the budget by hitching spending to inflation; requiring a plan to pay for each proposed program; and dangling the prospect of spending cuts in everything but homeland security, education, health care, Social Security, and Medicare. To cover the cost of expanding health-care coverage, Kerry has proposed rolling back the Bush tax cut on individuals with annual incomes greater than \$200,000 and preserving the middle- and lower-class tax cuts.

These fiscally conservative messages are being shaped by a group scooped up primarily from the Clinton White House. They include Gene Sperling, Clinton's national economic adviser, and Roger Altman, who was at the Treasury Department under Clinton. Clinton Treasury Secretary Robert Rubin's fingerprints are on every proposal. Then there is a quieter economic team of informal advisers that includes Blinder, who served on Clinton's

"The fiscal inheritance for Kerry will be terrible," says one economist. The deficit is much larger than in 1992, and nothing has been done to deflect its growth.

World War II ... when we worked with the rest of the world to deal with problems, to deal with them successfully, but we didn't find ourselves alone, virtually alone in Iraq the way we do today." Addressing Kerry's platform, Sandy Berger, Bill Clinton's national-security adviser, has been advancing a similar line in his TV appearances, and former United Nations Ambassador Richard Holbrooke has pushed the lost art of nation building.

Having heavyweights like Berger and Holbrooke onboard helps provide needed gravitas, but Kerry has just begun hammering out the details on Iraq and reconciling them with his vote against the \$87 billion for reconstruction. In an April 13 *Washington Post* op-ed, he provided a glimpse of what his Iraqi policy would look like: more U.S. troops, broader roles for NATO and the United Nations, and a U.S. pledge to accept any UN-brokered plan for self-governance that Iraqis agree to. At bottom, the article was an advertisement for long-term nation building—a

vote unless he's capable of decisiveness, or a broader vision ... on the huge chasm between Islam and the United States that Bush hasn't addressed," O'Hanlon says. "On that point, I think Kerry still has some work to do."

It is a concern substantiated by recent polling that shows the president still besting Kerry on national security and foreign policy, despite weeks of September 11 commission testimony, Richard Clarke's best-selling criticism, and escalating violence in Iraq. According to a March Pew Research Center poll, 53 percent of Americans believed Bush would do a better job of "defending the country from future terrorist attacks" compared with 29 percent for Kerry; 49 percent believed Bush would make "wise[er] decisions about what to do about Iraq" versus 37 percent for Kerry; and 44 percent to 38 percent believed Bush would make "wise[er] decisions about foreign policy." A FOX News poll from the second week of April showed little change in those numbers.

Council of Economic Advisers, and Robert Shapiro, former undersecretary of commerce for economic affairs under Clinton and a onetime Progressive Policy Institute economist.

Under their tutelage, it is Kerry who is talking about making government smaller and sleeker, proposing in his Georgetown speech to freeze the federal travel budget, reduce oil-royalty exemptions for drilling on federal lands, cut 100,000 contractors employed by the federal government, and trim administrative costs by 5 percent. "And when we're done," he said, "the federal government will be smaller but smarter, more effective and less expensive." Kerry has promised to slice the deficit in half within four years—a goal he intends to accomplish in part by ending "corporate welfare," federal subsidies, and tax breaks for corporations.

The big problem—raised by Republicans and journalists alike—is that, so far, the numbers floated in Kerry's speeches aren't in sync. According to some economists, rolling back the tax cut

for the wealthiest would only barely pay for expanding health care to the uninsured. The big untouchables—like Social Security and Medicare—will continue to cost big money. In the Georgetown speech, Kerry cautioned that some of the social programs he advanced during the primaries would have to be scaled back to tame the deficit—including pledges to fund universal pre-kindergarten programs and national-service initiatives.

But Kerry's in a tight spot: Voters aren't going to warm to a platform of only cutting services. As Sperling said at an American Enterprise Institute conference in October (before he was officially working for Kerry), "Democrats have to put everything in the terms of a pro-growth, pro-wealth-creation proposal. ... It has to be the alternative growth agenda."

Along those lines, Kerry has proposed an end to the tax incentives for companies that take their jobs overseas and a review of all trade agreements—including the North American Free Trade Agreement. He's also announced tax in-

centives for companies that manufacture in the United States. But some think he needs to do more, and they invoke Clinton's wedge-issue wins from 1992. "When Bill Clinton endorsed the Family and Medical Leave Act—after George Bush Senior vetoed it twice—he showed he 'got' voters concerns," says Karen Kornbluh, director of the New America Foundation's Work and Family Program and a former deputy chief of staff to Robert Rubin. "Politicians breakthrough when they convince voters they can improve their family's balance sheet." (Kornbluh has been mentioned by Kerry campaign staff as someone they will turn to on work and family issues.)

Kerry's breakthrough moment has not yet arrived. "How he defines himself will give people something to hold on to," says a prominent Democrat who is informally advising the campaign. It will also be an ideological balancing act on which his show depends. ■

SARAH WILDMAN is a Prospect senior correspondent.

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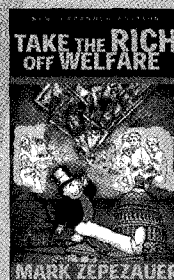
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Do Fat Cats Pay Less?

BY ROBERT S. MCINTYRE

When then-presidential candidate John Edwards complained that “something is deeply wrong when a billionaire has a lower tax rate than his secretary,” he was talking about George W. Bush’s cut in the top tax rate on dividends and capital gains

to only 15 percent. But it got me thinking: Even with Bush’s huge new loophole, do we really tax *total* personal investment income much more lightly than wages? This April, I spent a few weeks working out the arithmetic.

The short answer is that when Edwards charged that workers pay “at more than twice the rate” of wealthy investors, he understated his case. In fact, these days the average tax rate people pay on earnings is a lot more than double the rate on investment income.

If the income tax treated earned and unearned income by the same rules, its graduated rates would naturally hit unearned income the hardest. But besides all the various tax shelters for capital gains, dividends, municipal bonds, real estate, and so forth, there’s the fact that a major portion of investment income is never reported. Together, legal loopholes and cheating cut the average tax rate on unearned income by more than half, down to only 9.6 percent.

Meanwhile, earned income is almost entirely reported on tax returns and, on top of that, pays two taxes. First, there’s the income tax, which averages 10.7 percent, and second, there’s the payroll tax, which averages 12.7 percent. So the total tax on earnings is 23.4 percent—two and a half times the rate on investment income.

Looked at another way, earnings make up 71 percent of total personal income, but taxes on earnings account for 88 percent of total income and employment taxes. In contrast, investment income is 22 percent of total personal income, but it accounts for only 11 percent of personal taxes.

President Bush deserves some of the blame for this situation. His new tax breaks for capital gains and dividends, along with his cuts in income-tax rates generally, have lowered personal taxes on unearned income by more than a fifth. His tax cuts for earned income, however, are less than a tenth. On top of that disparity, Bush’s tolerance for tax shelters and cheating has encouraged even more upper-income tax avoidance and evasion on investment income.

But things have been moving in a Bushian direction for

decades. Before Ronald Reagan took office, the top income-tax rate on most unearned income was 70 percent, compared with a 50-percent top rate on earnings. The capital-gains-tax rate, now 15 percent, was 35 percent. And payroll taxes were almost a quarter lower than they are today. Back then, our lawmakers seemed to understand that working is harder than clipping coupons.

Of course, for radical right-wingers, even our current low taxes on investment earnings remain far too high. Their affection for a “flat tax” is not just its single rate but, even more important, its full exemption for investment income. They hope that if there’s a second Bush term, they may get their way.

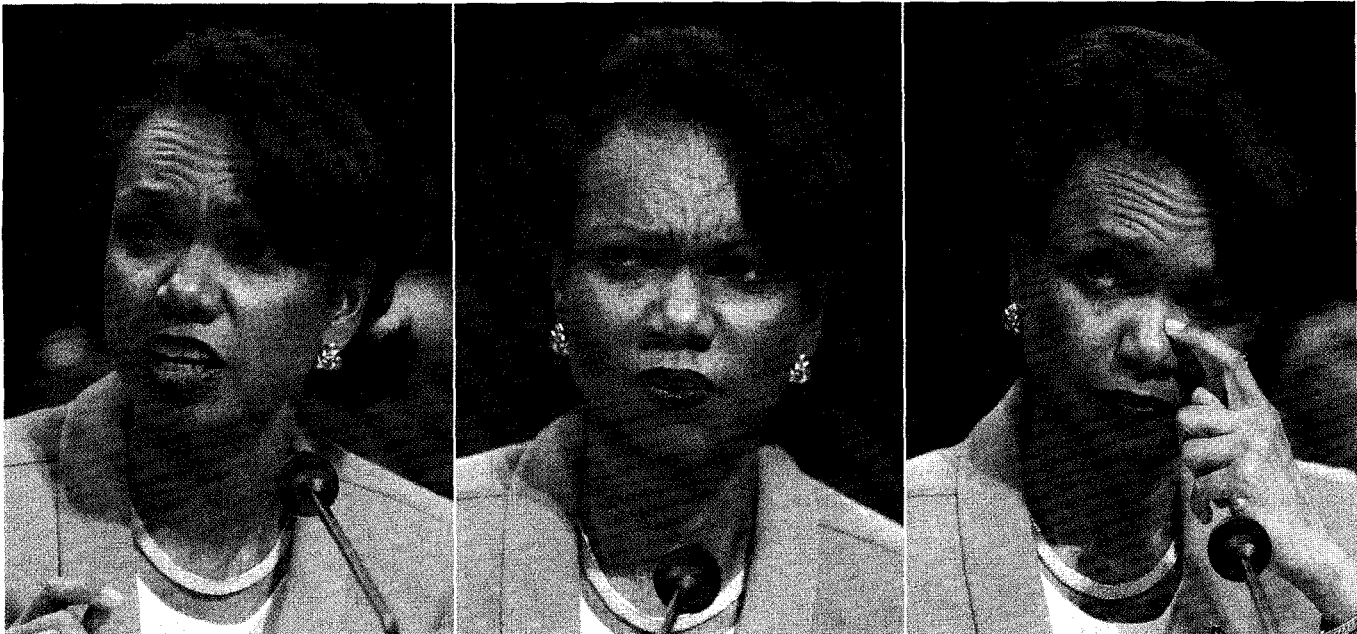
Those who think otherwise can find some reassurance in John Kerry’s call for restoring the pre-Bush top income-tax rates and curbing Bush’s capital-gains and dividends tax breaks. (The latter is a nice reversal, seeing as Kerry had previously called for a dividend tax cut even before Bush proposed it.)

But Kerry also should take a hard look at getting more unearned income reported on tax returns. Right now, for instance, small-time investors see all their capital gains reported to the Internal Revenue Service by their mutual funds. In contrast, big-time investors can pretty much make up their own numbers, and many of them do—which is why total reported capital gains are estimated to be about a quarter below what legally ought to be declared. Stockbrokers have all the information that the IRS needs to enforce the law; they’re just not required to report it.

Then there’s the big enchilada: Why do we exempt investment income from Social Security and Medicare taxes? Those who fear that an additional 15-percent tax on investors’ incomes would be too big a burden need to explain why they don’t feel that way when it comes to workers. ■

ROBERT S. MCINTYRE is the director of Citizens for Tax Justice.





Nothing to Smile About?: Condoleezza Rice has been on the hot seat recently. She should have been put there ages ago.

The Rice Capades

Condi's problems hardly started with the 9-11 commission. She's been screwing up from the start—and her mistakes tell a larger story about conservative foreign-policy failures.

BY JOSHUA KURLANTZICK

BETWEEN MAY AND JULY 2001, THE NATIONAL SECURITY Agency intercepted more than 30 private communications suggesting an imminent terrorist attack. In June, U.S. intelligence discovered that leading al-Qaeda operatives were vanishing from sight, possibly in preparation for a strike. By August, the CIA was reporting that Khalid al-Mindhar, Nawaf al-Hazmi, and other associates of Osama bin Laden had entered the United States. A month later, these men would participate in the September 11 hijackings.

U.S. counterterrorism specialists prepared a briefing in July 2001 for top government officials, warning, "We believe that [Osama bin Laden] will launch a significant terrorist attack against U.S. and/or Israeli interests in the coming weeks. The attack will be spectacular and designed to inflict mass casualties." Richard Clarke, then the White House's top counterterrorism official, made many requests to National Security Adviser Condoleezza Rice for urgent cabinet-level meetings. Several top counterterrorism officials, a congressional commission that investigated 9-11 learned, "were so worried about an impending disaster ... that they considered resigning and going public with their concerns." CIA Director George Tenet "was around town literally pounding on desks saying that something is happening, this is an unprecedented level of threat information,"

Deputy Secretary of State Richard Armitage told Congress.

Such a potential impending disaster might have seemed tailor-made for Rice. After all, she had been groomed by the Republican foreign-policy elite to become a top-flight decision-maker. And, since her time as a director for Soviet affairs on the first Bush administration's National Security Council (NSC), Rice had prided herself on her convictions that America should neither shy away from potential threats nor outlaw the use of significant force to combat our enemies. Furthermore, because of her experience on that NSC, Rice supposedly possessed the toughness and the willpower to push cabinet members toward a common policy that would defend America in a time of great danger. Indeed, since she had been named George W. Bush's top foreign-policy adviser during the 2000 presidential campaign, Rice had been featured in a series of fawning profiles in major newspapers and magazines, becoming the administration's major foreign-policy mouthpiece and frequently appearing on Sunday talk shows to provide detailed, eloquent presentations. She'd even inspired a fan club that promoted her presidential chances in 2008.

Unfortunately, as we now know from Clarke and other sources, Rice did little to address the gathering threat. In her recent testimony before the 9-11 commission, Rice admitted

that the United States had not been on “war footing” against terrorism before September 11, and complained that the threats to the United States, during the summer of 2001, were too vague to warrant taking action. Indeed, Clarke was not allowed to brief the president during the summer of 2001, and Rice convened no meetings of cabinet principals that summer to deal with al-Qaeda terrorism—just the kind of high-level attention that had helped prevent terrorist attacks on the eve of the 2000 millennium celebrations. “[T]here were other priorities,” Rice told the commission.

In part, the failure to prevent the events of 9-11 was, like certain other key Bush administration foreign-policy failures, a result of Rice’s personal flaws. Though the media have often portrayed the national-security adviser as a tough, decisive policy-maker, in reality Rice often has been a terrible mediator, creating fragmented, disunified policy.



Historical Document: Rice takes the oath before the 9-11 commission.

Ideally, a national-security adviser would firmly guide an internal administration debate toward an end point, present a policy recommendation to the president, and then force the administration to follow the president’s decision. “You’d think the NSC would lay down the law,” says one former official. “Condi did nothing ... If there was a strong national-security adviser who’d instill discipline, that would have stopped ... debate.”

But the Bush administration’s policy disasters are not due merely to Rice’s flaws as a traffic cop. They are a direct reflection of the flaws and blind spots of modern conservative foreign-policy thought. For nearly two decades, Condoleezza Rice was marinated in this thought, studying under mentors like George Bush Senior and Brent Scowcroft and alongside luminaries like Paul Wolfowitz. Conservatism’s focus was chiefly on dangerous states and their dangerous weapons, like long-range missiles. Its preferred means of dealing with threats were military force and unilateral action, rather than State Department diplomacy, of which conservatives were suspicious. Both the focus and the means were unsuited for the globalized post-Cold War world, and horrifically so for the post-9-11 world. But it was tragic that the 1990s conser-

vative establishment, which spent the decade rallying itself into a coherent force situated around key think tanks like the American Enterprise Institute, developed a kind of all-or-nothing groupthink—a stifling unity in which even mild dissenters are scourged as traitors.

When an administration born in the world of late 1980s and ’90s conservatism—a world of unyielding ideology formed in direct opposition to the Clintonites—came to power, it failed to adapt to changes in the international environment, refusing to understand the ramifications of globalization and the growing danger of nonstate threats. And Rice has shown no propensity at all for independent thought. At a time when the president—and, more importantly, the nation—needed a skeptic in charge of the NSC, Rice showed unquestioning fealty to conservative groupthink, usually siding with the administration’s most hawkish officials. She finds it easier to confront people like Clarke or Secretary of State Colin Powell, who advocate solutions contrary to 1990s conservatism—multilateralism, or the recognition, as Clarke has said, that “the boundaries between domestic and foreign [security] have blurred” as nonstate actors have grown in power.

In addition, Rice has never really had the authority within the administration that a national-security adviser should. Before September 11, she allowed Rumsfeld and other hawkish officials to make missile defense and the dissolution of the Anti-Ballistic Missile Treaty priorities, even as al-Qaeda’s shadow loomed over New York and Washington. Meanwhile, Rice led cabinet-level meetings prior to 9-11 on a series of other state threats, such as Russia, her one area of actual expertise.

And, even after September 11, the administration still has not focused seriously enough on the nonstate actors that threaten America, or diverged from its 19th-century, Metternichian worldview. As a result, America today is more hated around the world than at any time in decades, Americans are dying needlessly, and al-Qaeda is flexing more muscle than it did *before* 9-11. The failure of Condoleezza Rice, all but engineered to be a conservative icon, is the failure of the 1990s conservative establishment itself.

AT AN AGE WHEN MOST PEOPLE HAVE YET TO BUY THEIR first home, Condoleezza Rice had already held a series of prestigious positions in government and academia. A junior political-science professor at Stanford University in the 1980s, she impressed Scowcroft with her insights at a 1984 Stanford faculty seminar on arms control. Five years later, when Scowcroft became Bush Senior’s national-security adviser, he made the precocious prof his director for Soviet affairs on the National Security Council. She was quickly promoted to senior director, and often served as a personal tutor to President Bush on the changing dynamics of the collapsing Soviet Union.

When Bush lost in 1992, Rice returned to Stanford, where she served as provost for six years. After leaving the school in 1999 to join Texas Governor George W. Bush's presidential campaign team, Rice grew close to the candidate. Bush reportedly liked Rice's ability to quickly synthesize foreign policy and present it to him in digestible amounts; the two also shared many interests, including football (Rice has said she wants to be NFL commissioner one day). And, as James Mann writes in his book *Rise of the Vulcans: The History of Bush's War Cabinet*, she became friendly with other leading conservatives who would ultimately serve as Bush's top advisers.

By then, Rice had already absorbed two decades of conservative wisdom. She was not yet a neoconservative, though. Like more traditional conservatives, she was mostly focused on great-power relations, and she seemed unwilling to risk the kind of destabilization that could result from neocons' democratization ideas.

Yet she, like the rest of the conservative establishment, had settled upon what Ivo H. Daalder and James M. Lindsay, authors of *America Unbound: The Bush Revolution in Foreign Policy*, call the "hegemonist worldview." This worldview "looked no different ... than it had to Cardinal Richelieu or Prince von Metternich," Daalder and Lindsay wrote. "States sought to advance their own narrow interests," and military power—even unilateral power—was the best way of doing so. So, in a 2000 article in *Foreign Affairs*, Rice spent little time talking about terrorism, globalization, or other nonstate issues, instead advising America to focus on its relationship with major powers and ensure that the U.S. military was strong enough to fight for U.S. interests.

When Bush became president, Rice was thrown into an extremely contentious situation. The president named some of the most experienced bureaucratic infighters in recent history to positions at the State Department, the Defense Department, and the Central Intelligence Agency. Complicating matters, Bush had picked a vice president who would be taking a more sizable role in foreign policy than any veep in history; none previous had joined NSC meetings with other cabinet principals. Rice had learned management from Scowcroft, whose style was to build consensus slowly. But it was now clear, as Rice might have sensed, that the Scowcroft model simply didn't fit anymore. "Positions were sometimes argued rather aggressively in [the first] Bush [administration], but disagreements were sorted out in private, not by public utterances that got out ahead of agreed policy," says a Bush Senior NSC staffer.

Yet from the beginning, Rice made moves that ended up encouraging just that sort of public bickering. In early 2001, she and her deputy, Stephen Hadley, decided to hand over more responsibility for policy-making to cabinet members. Rice slashed the NSC's size by 30 percent and even reportedly said that she didn't want anyone in Washington knowing her views on various policy issues. "Rice made the calculation that she couldn't go up against the titans"—Cheney,

Rumsfeld—"in a big way," says one former official. Says another: "There was a feeling early on under Bush and Rice that the Clinton NSC had gotten too strong. Steve Hadley was overtly pushing people in meetings—'Look, we shouldn't be doing this, we need to devolve down.' But it wasn't really possible, because there was too much fighting in the interagency process."

Indeed, according to this former official, after Argentina's economy collapsed in a morass of debt in early 2001, Rice and Hadley tried to hand over Argentina policy-making to the Treasury Department. But there was combat between the Treasury Department and other agencies over the Argentine debt, and Rice allowed internal debate to continue, helping to poison the U.S.-Argentine relationship.

At the same time, when Rice did help mediate the infighting, it was almost always to further the conservative goals developed in the 1990s, such as obsessing over national missile defense and breaking U.S. ties to multilateral institutions like the International Criminal Court. On these issues, one former official remembers, Rice "restricted debate [to] limit the amount of information you get in ... You're more likely to succumb to groupthink." As *The Washington Post* has reported, on September 11, Rice was to deliver a foreign-policy address at Johns Hopkins University on "the threats and problems of today and the day after" that would have promoted missile defense as the cornerstone of America's national-security strategy. As Clarke writes in his book, "[T]he daily NSC staff briefings were filled with detailed discussion about the ABM Treaty and other issues that I thought were vestigial Cold War concerns."

Similarly, before Bush's first visit to Europe in June 2001, Rice and other NSC staffers attended an interagency meeting to plan the trip. A Defense Department official arrived at the meeting with a "Rummygram"—a concise, sharply worded Rumsfeld memo—which showed that the Pentagon was already fighting the intra-administration battle to the death. The memo contained suggestions that, if implemented, would have radically changed U.S. policy in Europe, including pulling America back from NATO.

The same Bush staffers, Clarke has said, thought focusing on al-Qaeda was "rather odd." After all, al-Qaeda, which couldn't be dealt with on a state-to-state level, didn't fit in the conservatives' paradigm. But officials who criticized this conservative worldview were quickly ousted. Before September 11, Rice essentially demoted Clarke, perhaps the most knowledgeable person in the administration on al-Qaeda. Clinton-era National Security Adviser Sandy Berger "was effective in saying, 'We're heading down the wrong path. Let's reassess where we're going,'" says one former official who served under both Bill Clinton and Bush. Rice, it seems, could not do the same.

WHEN THE ADMINISTRATION HASN'T MADE THE MISTAKE of sticking to its guns with catastrophic consequences, it has made the opposite mistake of lurching all over the place, as it has with regard to China and Taiwan. The dance began in

April of 2001, when a U.S. spy plane on a surveillance mission off the coast of southern China bumped into a Chinese plane and made an emergency landing in China, where authorities essentially held the pilots captive. The U.S. reaction to the incident was often contradictory, with some hawkish officials vowing that Washington would get its pilots and plane back without making any concessions, while others were counseling that America should express regret for the Chinese pilot's death. Ultimately, doves, led by Powell, seemed to prevail: Bush sent Chinese President Jiang Zemin a letter saying that the United States was very sorry for the Chinese pilot's death (but not apologizing for the crash itself). China released the pilots.

From there, policy-making on China only grew more muddled. Shelley Rigger, an expert on Taiwanese politics at Davidson University, says the Bush administration has sent mixed messages to both Beijing and Taipei on how strongly it backs Taiwan. Until 2003, hawks at the Defense Department and at America's de facto embassy for Taiwan, who had spent the 1990s at organizations like the American Enterprise Institute focusing on China as one of the gravest state threats to the United States, gained the upper hand. Rice, who seemed suspicious of State Department doves, did not stop the hawks. "Until [mid] 2002, the NSC basically allowed the Pentagon a long leash on Taiwan," says one U.S. official. Top Taiwanese defense officials were invited to the Pentagon, and Wolfowitz held meetings with Taiwanese leaders, a break from the past practice of having the Taiwanese meet only lower-ranking U.S. officials. Rice allowed the Pentagon to have a say on political issues as well, once the sole province of Foggy Bottom. Under Rice, says one former official, the Defense Department was "much more closely involved" in China and Taiwan policy details than in the past.

Emboldened by this tilt toward Taipei, Taiwanese President Chen Shui-bian decided to call a referendum, timed to the March 2004 presidential election in Taiwan, that would ask the Taiwanese whether China should renounce the use of force against the island. China reacted furiously, saying that a referendum could provoke war. Bush and Rice tried to scramble in the other direction. In the fall of 2003, with Bush's blessing, the National Security Council quietly sent Jim Moriarty, NSC senior director for Asian affairs, to Taipei, to ask Chen to scuttle the referendum.

Yet even as Rice was dispatching Moriarty, she could not keep administration hawks on the same page as Bush. At a dinner for Chen in New York in October 2003, Therese Shaheen, the hawkish former head of the de facto U.S. embassy for Taiwan, told the audience that Bush was Chen's "secret guardian angel," and in New York, Chen was allowed by U.S. officials to meet with supporters and the international media. (Because the United States officially recognizes only mainland China, previous Taiwanese presidents had usually been kept in airport transit hotels while in America.)

With the administration divided on policy, neither Taiwan nor China received a consistent message. According to Rigger,

Chen focused on the anti-China statements from hawks and pushed forward with his referendum. The United States grew angrier, and one former U.S. official says Moriarty called a Taiwanese national-security adviser into his office and berated the man—highly unusual behavior for an American official.

Ultimately, Bush had to inject himself directly into the policy debate, using a December 2003 bilateral meeting with Chinese Premier Wen Jiabao to tell reporters that the United States opposed the Taiwanese referendum. It was a slap in the face to Taipei, and Beijing reacted by replaying Bush's statement ad nauseam in the Chinese media. Embarrassed, Bush had to tack back again, publicly warning Beijing that his statement did not mean Washington would not continue supporting Taiwan. "The administration [still] doesn't speak with one voice on this," says Ken Lieberthal, who served on the National Security Council under Clinton. "Taiwan thinks the Department of Defense is their savior ... [and tries] to get the Department of Defense to carry their water," agrees one American official.

Ultimately, Chen was re-elected by a narrow margin, but his relationship with Washington was compromised by U.S. infighting that Rice did nothing to control—and now the United States will have to deal with the Taiwanese leader for another term.

On relations with China and Taiwan, Rice could not keep the hawks on the same page as Bush.

FOR A TIME, THE 9-11 ATTACKS SHOCKED the administration into a more proactive, multilateral approach on terrorism. Rice became more assertive, functioning as an active participant who pushed issues to a close rather than simply a mediator.

But she still allowed the 1990s groupthink mentality and ignorance of nonstate actors to dominate. Right after 9-11, top administration hawks, including Wolfowitz and Rumsfeld, tried to switch the focus from a nonstate threat—al-Qaeda—that had just killed almost 3,000 Americans to a state threat—Iraq—that could be more easily handled through military force, a linchpin of the hegemonist worldview. Rice did not prevent Wolfowitz and Rumsfeld from trying to focus attention on Saddam Hussein, even as Wolfowitz sent former CIA Director James Woolsey, a close friend, to London to investigate the crackpot theories of Laurie Mylroie, a terrorism specialist who believes that Hussein has had a role in many acts of terrorism on American soil, including September 11.

Ultimately, the preponderance of evidence implicating al-Qaeda in the 9-11 attacks became so overwhelming that it made no sense to even consider attacking any place other than Afghanistan. The war was fought well, and U.S.-led forces quickly overthrew the Taliban. But shortly afterward, the conservative ideology reasserted itself. Rumsfeld and other hawks, disdainful of multilateralism and using the military for reconstructing societies—even broken societies that had bred terrorists—scuttled the possibility of rescuing Afghanistan from failed-state status.

Rice, who in her 2000 *Foreign Affairs* piece had also denigrated the Clinton-era use of the military for peacekeeping, went along. Indeed, after 9-11, Rice allowed the United States to be pulled away from its European allies, who

wanted to contribute to the war on terrorism but were distrusted by hawks at the Pentagon and other parts of the administration. Shortly after the war in Afghanistan, the *Prospect* has learned, some multilateralist administration officials wanted to support a NATO rapid-response force. One former official remembers, "A high defense official, when briefed on the idea by the NSC, paused and said, 'Don't do that—if it existed, we'd have to use it.'" Chastened, the National Security Council allowed the idea to fester well into 2002, infuriating Europe and preventing NATO from taking a larger role in Afghanistan.

Meanwhile, according to a former official, Rice allowed the Department of Defense to scuttle the funding of reconstruction projects in Afghanistan and Pakistan, which Rumsfeld disdained. Worse, Flynt Leverett, a former NSC staffer, told *The Washington Post* that Arabic-speaking Special Forces and CIA officers, who had been effectively tracking Osama bin Laden and other top al-Qaeda leaders, were taken out of Afghanistan in March 2002 to begin preparing for a war in Iraq.

By the summer of 2002, it was becoming increasingly obvious that the White House was gunning for the state actor that, for more than a decade, had been central to conservatives' worldview. In the buildup to war with Iraq, Rice did give Powell a hearing. In the fall of 2002, she famously arranged for a private dinner at which the secretary of state counseled the president to use the United Nations to pressure Iraq. The dinner, as Daalder and Lindsay note, ultimately resulted in Bush using Powell's methods—working through the UN, at first—to achieve Cheney and Rumsfeld's aims of toppling Hussein.

But in many other respects, Cheney, Wolfowitz, and Rumsfeld were allowed to dominate the NSC on Iraq. Rice "relished [an] opportunity to rein in the State Department ... But there was less effort to rein in Rumsfeld" when the secretary of defense did not follow the president's policy instructions and tried to scuttle the peace process, says one observer close to several cabinet members. As *Time* magazine reported in April, Pentagon officials simply "skipped meetings of Rice's group that was planning for a postwar Iraq."

Again, on a central part of the conservative worldview—attacking Iraq—any dissenters were purged, and any sustained self-reflection inside the NSC seemed impossible. In the summer of 2002, Ben Miller, an NSC Iraq expert on loan from the CIA, was dismissed from the council, an acquaintance says, because he did not agree that Iraq was a gathering threat.

In speeches, Rice began linking Hussein's regime to al-Qaeda, and she mimicked Cheney's rhetoric about the threat of Iraq's supposed nuclear program with the now-infamous phrase, "We don't want the smoking gun to be a mushroom cloud."

Greg Thielmann, former head of the proliferation-analysis office of the State Department's intelligence bureau believes that Rice ignored any evidence from the State Department that contradicted the administration's assessments of Hussein's weapons-of-mass-destruction programs.

On talk shows, Rice told the public that aluminum tubes that Iraq had been trying to purchase were used as centrifuges for enriching uranium, though many intelligence

analysts strongly disputed this claim. In fact, shortly after the Iraq War ended, the United States found two suspicious mobile trailers in Iraq. Thielmann says the CIA and the Defense Intelligence Agency rushed out an intelligence white paper saying that the trailers had been used for making weapons of mass destruction—without waiting for U.S. experts to examine them closely or including the State Department's Bureau of Intelligence and Research in the white-paper deliberations. These Winnebagos of mass destruction turned out to be unrelated to biological or chemical weapons production.

Worse, Rice did not guide the planning for postwar Iraq, which quickly descended into chaos and has lately morphed into something worse. In the fall of 2003, Rice finally tried to exert more control over the Iraq reconstruction process, with the White House announcing last October that she would take a more central role in approving decisions having to do with the U.S. occupation. *The Washington Post* quoted officials as saying that the change would allow Rice to "crack the whip." Of course, as the *Post*'s Glenn Kessler and Peter Slevin noted, this October announcement was "met by puzzlement throughout the foreign-policy community," which wondered, "Isn't that what the national-security adviser is supposed to do in the first place?"

TODAY, SPECULATION IS MOUNTING ABOUT WHETHER Rice would stay on for a second Bush term. She has not ruled out leaving the administration, but has also been mentioned as a possible secretary of state, though friends have said she may want to take some time away from government. But while Rice may be tired of the interagency strife, she has not used her frustration to fix the NSC process, or to rein in the hawks. She has also refused to backtrack on many of her pre-war claims about Iraqi weapons of mass destruction, or Iraq's links to al-Qaeda. Powell and Rumsfeld continue to clash publicly. The administration remains divided over what role the United Nations should play in a post-U.S. occupation of Iraq. Rice continues to marginalize Foggy Bottom and, even today, focus her energies on the same priorities that obsessed conservatives in the 1990s. The White House has made little effort to try to understand some of the broader causes of terrorism, has focused on changing regimes in states that it believes foster terrorism, and has not spent enough time combating al-Qaeda's medieval theology with American democratic ideology (rather than just with force).

Then again, how could Rice have been intellectually capable of doing any different? She was the perfect child of 1990s conservatism, formed by the leaders of the movement while the conservatives were in exile. When the exiles stormed the barricades, they took their echo-chamber worldview with them into power. And while the media have often focused on the domestic implications of the Bush administration's conservatism—its fealty to tax cuts above all else, its focus on big business at the expense of a truly level economic playing field—it is this intellectual scandal, this failure to adapt to the world, that has ended up costing America the most. ■

JOSHUA KURLANTZICK is *The New Republic's* foreign editor.

Freedom Fraud

President Bush and the neocons say they're today's real idealists; that their foreign policy spreads democracy and doesn't coddle dictators. They say it. They just don't do it.

BY MATTHEW YGLESIAS

BY THE FALL OF 2003, THE MAIN ARGUMENT BY WHICH THE Iraq War was sold to the public—that Iraq possessed weapons of mass destruction that it was likely to give to terrorists—was looking pretty threadbare. Tacking with the wind, George W. Bush took advantage of the 20th anniversary of the National Endowment for Democracy (NED), a government-funded private agency that seeks to help groups around the world fighting for democracy, to reposition the brewing conflict by waxing Wilsonian.

He proclaimed that “from the Fourteen Points to the Four Freedoms, to the speech at Westminster, America has put our power at the service of principle.” The Iraq invasion, it turns out, would not be about Saddam Hussein handing his soon-to-be-constructed nuclear bomb to al-Qaeda after all. Instead, it would be part of a new “forward strategy of freedom”—the boldest step yet in a campaign to transform the Middle East into a sea of democracies, thus draining the swamp of tyranny in which terrorism grows.

The specific plan of action was finally bruited in February, when we heard that by June, the president would use the occasion of a G-8 summit on Sea Island, Georgia, to unveil a “Greater Middle East Initiative” aimed at boosting the level of foreign aid to nongovernmental civil-society groups in the region and thus promoting democracy. Like other Bush foreign-aid initiatives, it was a worthy, if modest, plan. But it was not to be. A draft of the plan was leaked that month to the Arabic press, provoking a firestorm of criticism from Arab dictators and leading the administration to rethink the whole thing.

The Bush administration's foreign policy is built on two grand claims. The first is a pragmatic one: that the administration has been uniquely successful in fighting the war on terrorism. This is an argument into which former counterterrorism czar Richard Clarke has lately poked several capacious and damaging holes. The second claim is more historical and intellectual: that the administration has abandoned traditional foreign-policy realism in favor of a neoconservative ideology that blends the left's idealism with the right's ardor for military force and disregard for multilateral institutions. This claim positions the neocons as the 21st century's true warriors for freedom who will no longer brook alliances of convenience and support for dictators. (“Stability,” Bush said in his NED speech, “cannot be purchased at the expense of liberty.”) And unlike the first assertion, which Clarke and others have coun-

tered, this is a claim on which Bush hasn't really been challenged at all. Bush even told *The New Yorker's* Ken Auletta that he was “the greatest human-rights president in history.”

Is he? In a word, no.

The reality is that the “forward strategy of freedom” is yet another in a long string of administration smokescreens. While the White House has certainly adopted the longtime neocon policy goals of regime change in Iraq and unflinching support for Israel, along with serving up a great deal of humanitarian rhetoric, its actual policies vis-à-vis the rest of the world smack of the right's long-standing affection for dictators who promote America's short-term political and economic interests. In fact, Bush has pursued a set of policies that have left the world substantially *less* free than it was before he took office. Some progress has been made in Iraq and Afghanistan. But much larger countries like Russia, China, and Indonesia have moved backward, while the overall impact of the wars in Iraq and against al-Qaeda has been a wide-ranging set of clampdowns across the Middle East and in the former Soviet Socialist Republics of Central Asia to which the administration has largely turned a blind eye—except when it actively abetted them.

THE STORY BEGINS IN AFGHANISTAN. CLEARLY, RESPONDING to the September 11 attacks was not only legitimate but necessary. Besides, the prewar regime was truly appalling, and its downfall opened the possibility of a major improvement in the regional human-rights situation. After the fall of Kandahar, however, the Bush administration made two related decisions that have had fateful implications for the cause of freedom.

First, Bush took a minimalist attitude toward the reconstruction of Afghanistan. The United Nations estimated that reconstruction would cost upward of \$10 billion over the first five years, but the United States pledged only \$296 million for the first year of reconstruction, combining with allies to secure a paltry \$4.5 billion in commitments for the first five years, while restricting the operations of the peacekeeping International Security Assistance Force to the immediate vicinity of Kabul. Shortchanged in the process was basic security in the balance of the country, efforts to promote economic opportunity outside the opium trade, and construction of new schools and other elements of basic infrastructure.

The motivation, apparently, was a desire to free troops and other resources for a planned campaign in Iraq. As a result, the United States found itself forging opportunistic alliances with just about any armed group that could be persuaded to oppose the Taliban, including the Northern Alliance's least-savory affiliates like Ismail Khan and Abdul Rashid Dostum. The result is that although Afghanistan has, as Bush noted in his last State of the Union address, "a new constitution, guaranteeing free elections and full participation by women," facts on the ground bear little resemblance to the paper constitution. Real authority throughout vast swaths of the country rests in the hands of various warlords, drug traffickers, Taliban remnants, and their armed followers. As a March study by New York University's Center on International Cooperation reported, "Progress in the disarmament, demobilization, and reintegration of militias is barely discernable," and "it will probably be impossible to hold parliamentary elections this year."

Afghanistan is doubtless freer than it was before in some ways, mostly having to do with the wider availability of consumer goods. But real democratic stability is unlikely to emerge in the near future, and almost certainly won't without a reorientation of U.S. policy toward nation building and away from further military ventures.

Minimalism regarding Afghanistan both reflected and drove a second policy choice: the decision to advance a maximalist approach to the war on terrorism by directing it at *all* Islamist groups around the world rather than focusing narrowly on al-Qaeda.

Bush's mix of minimalism and maximalism was the fatal error. It turned what could have been a promising opportunity for democracy building into a burgeoning rapprochement with many of the world's dictators, even while America's relations with democracies in Europe and Latin America deteriorated. The most famous case is Pakistan. Before 9-11, General Pervez Musharaff's military regime was an international pariah thrice over, subject to U.S. sanctions for its ties to the Taliban, for its violation of weapons-of-mass-destruction nonproliferation norms, and for the coup that brought Musharaff to power. But after the attacks, the Pakistani government agreed to cooperate with America's anti-Taliban efforts, and Bush soon described Musharaff as "a courageous leader and a friend of the United States." Granted, a temporary reconciliation with the Pakistani regime was a necessary first step to ousting the Taliban. But the minimalist failure to commit adequate U.S. forces to Afghanistan wound up worsening the situation as the United States became overly dependent on Pakistani goodwill to try to hold al-Qaeda in check while the U.S. government turned its gaze to the Euphrates. As a result, pressure on Musharaff to democratize has essentially vanished, and the country—which, unlike many other Islamic countries, was a democracy, albeit a troubled one, just a few years ago—seems

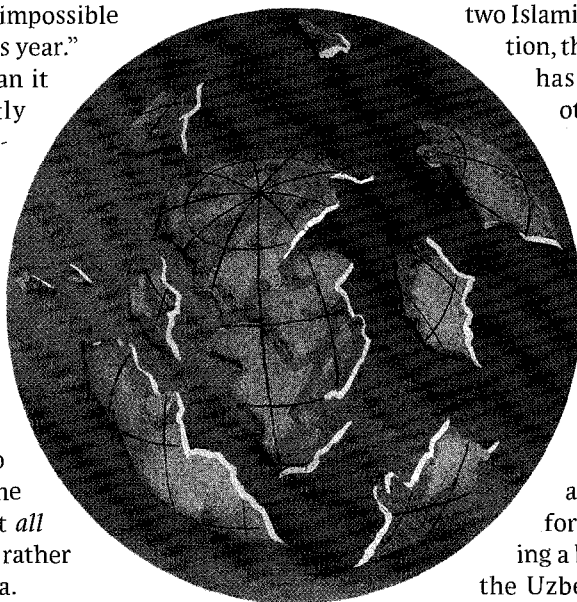
condemned to military rule for the foreseeable future.

The war in Afghanistan was also the occasion for America's engagement with a less famous leader: Islam Karimov of Uzbekistan, formerly the head of the local branch of the Communist Party and now dictator of a proudly independent country. The regime is probably best known for the systematic torture in its prison system, where one inmate was thrown into boiling water in a particularly infamous incident.

The lingering instability in Afghanistan made this semi-totalitarian state an attractive anchor point for U.S. efforts to project power into Central Asia, leading to the signing in March 2002 of a "strategic partnership" agreement between the United States and Uzbekistan. Thus, in exchange for the use of a military base, the Uzbek regime receives more than \$50 million annually in aid, including about \$12 million in military aid to finance the government's struggle against

two Islamist groups. One of the groups in question, the Islamic Movement of Uzbekistan, has never attacked U.S. targets; the other, Hizb ut-Tahrir, is not a terrorist group at all but an organization that seeks to promote Islamist politics through peaceful means. Neither group has an admirable political vision, but then again, neither does Karimov. His first name notwithstanding, his orientation is very much that of a secular Communist Party hack, and his war against Islamic extremism involves widespread repression of anyone who appears overly devout by, for example, praying too often or wearing a long beard. Legislation makes aid to the Uzbek government contingent on improvements in the human-rights situation, but when Uzbekistan flunked the State Department certification in each of the past two years, it was granted a presidential waiver allowing the money to keep flowing.

Rationalization of the partnership with Uzbekistan was facilitated by the adoption of a maximalist view of the war on terrorism that conflated Karimov's domestic opponents with America's enemies. Unfortunately, the logic of that position has had a ripple effect throughout Central Asia, where signs of a forward strategy of freedom are hard to detect. Like Karimov's government, the totalitarian regime of Turkmenistan, a second-tier partner at best in the war on terrorism, managed to escape designation as one of the "countries of particular concern" under the International Religious Freedom Act, which requires sanctions against egregious violators of freedom of conscience. The regime avoided such censure in spite of the fact that the State Department says that "the government continues to restrict all forms of religious expression." In particular, all religions other than Sunni Islam and Russian Orthodoxy are illegal, and even the two permitted faiths "are controlled by the government." Even in Kyrgyzstan, formerly an island of hope, things have taken a turn for the worse in recent years as the flawed 2000 elections have been followed up by systematic harassment of opposi-



tion leaders, journalists, and nongovernmental organizations (Of course, the Bush administration has good reasons for overlooking flawed 2000 elections). As in Uzbekistan and other Central Asian nations, counterterrorism operations partially funded through \$10.3 million in aid from the United States make little distinction between real terrorists and non-violent Muslim groups that simply oppose the regime.

AFTER AFGHANISTAN, OF COURSE, CAME IRAQ. RETROSPECTIVELY, the administration has relentlessly emphasized the humanitarian virtues of this war. But in the run-up to the war, this was not the chief argument. Indeed, no less a figure than Paul Wolfowitz told *Vanity Fair* in May 2003 that humanitarian considerations, though important, were “not a reason to put American kids’ lives at risk.” The president did mention Saddam Hussein’s appalling human-rights record, but

based largely on assurances from exiles that nation building could be done on the cheap. As a result, today’s Iraq, like today’s Afghanistan, is underpoliced, plagued by terrorist attacks, and populated with a wide variety of armed militias. On June 30, we will hand over sovereign authority to the Iraqi Governing Council, an organization widely regarded as illegitimate, to operate under a constitution that Iraq’s leading cleric has repeatedly denounced.

Within Iraq’s immediate neighborhood, moreover, there’s been no sign of a democratic domino effect. The president and his defenders have tended to cherry-pick occasional signs of progress—noting, for example, that Saudi Arabia has introduced “a plan for gradual introduction of elections.” The pace of Saudi reform, however, is gradual in the extreme. The elections will be for municipal offices only and will not permit the formation of political parties. Most notably, only a minority

of seats on the councils will be up for competitive election, leaving effective power—even in the circumscribed sphere of local administration—in the hands of officials appointed by the monarchy. Contrary trends could just as easily be cited.

Chief among those is Iran. The toppling of Saddam was supposed to give reformers in that country—which, unlike Iraq, is a current state sponsor of terrorism—the upper hand. But the recent elections there were a victory for the ruling mullahs: They disqualified nearly half the candidates running for parliament, and reformers lost most of their seats. Likewise, hawks who’d hoped regime change in Baghdad could be quickly followed by the liberation of Syria (another current state sponsor of terrorism) point to a March 7 human-



Caucasus Caucas: Uzbekistan’s Islam Karimov (left) and Russia’s Vladimir Putin

rights demonstration in Damascus as proof of their success. At the same time, however, with the United States occupying Iraq, the top item on the U.S. agenda has been securing Syrian cooperation in efforts to control the border; human rights have taken a back seat. The State Department loudly condemned the hour-long detention of a diplomat observing the protest, but had considerably less to say about the harsher punishments doled out to the protesters themselves.

Many war proponents argued, however, that the war would result in a democratic flowering throughout the region. “A liberated Iraq,” Bush told the American Enterprise Institute in February 2003, “can show the power of freedom to transform that viral region, by bringing hope and progress into the lives of millions.” And, indeed, it could, if the administration actually does create a stable democratic replacement for the Hussein regime. But the administration’s consistent references over the years to anarchic Afghanistan as a democratic success story have always made the prospect that the Bush team would actually achieve this goal look rather dim.

One year on, events so far have largely borne the skeptics out. The tragedy, as Kenneth Pollack, a former Clinton National Security Council staffer and Iraq War advocate, puts it, is that “there was so much good work done” by the State Department’s Future of Iraq Project on how to bring stability to the country—and all of it was ignored. Instead, the administration chose to rely on unsound Pentagon analyses

freeing the Iraqi people from their dictator’s grip was presented as a beneficial side effect of regime change rather than a primary justification for invasion.

Drawing causal links between any particular event and the Iraq War is extremely hard to do at this point. What we can say for sure, however, is that the lead-up to the war made the region *less* free. Allied states in the area typically declined to endorse the Iraq War formally, though they offered tacit support to the American effort in the form of bases or flyover rights. Marc Lynch, a political scientist at Williams College who studies Arab reform efforts, says allied dictators in the area “know that they can’t openly go against the United States, but because it’s unpopular, they find themselves clamping down.” This is, perhaps, the central paradox of Bush’s foreign policy: It seeks to promote democracy abroad through methods that are opposed by the will of the populations of virtually every country on earth.

THERE ARE STILL OTHER FRONTS, RELATED TO THE WAR on terrorism somewhat less directly, on which three and a half years of Bush have hindered rather than helped democracy's spread. China occupies a significant chunk of territory that's linguistically, historically, culturally, and geopolitically tied to Central Asia. Thus, in the northwestern province of Xinjiang, a process similar to the one taking place in the "stans" is under way as the People's Republic cracks down on the region's Muslim Uighurs. Before 9-11, the U.S. government had resisted Beijing's long-standing assertion that the separatist East Turkestan Islamic Movement is a terrorist organization closely linked to al-Qaeda and refused to place it on the Foreign Terrorist Organizations list. After 9-11, it did so.

According to Human Rights Watch, Beijing has taken advantage of the anti-Uighur campaign's newfound designation as an anti-terrorist effort and "closed printing houses producing unauthorized religious literature; instituted mandatory 'patriotic re-education' campaigns for religious leaders; stepped up surveillance of Muslim weddings, funerals, circumcisions, and house-moving rituals; arrested clerics; raided religious classes; banned traditional gatherings; and leveled mosques." And these are on top of China's more widely known human-rights violations. Meanwhile,

Department says a president chosen through "an election marred by numerous, serious irregularities" dominates a "corrupt and inefficient" judiciary, Bush's post-election congratulatory note to that president, Ilham Aliyev, hugely undercut the effort of local and international activists to protest the results. (Azerbaijan, not coincidentally, was one of many dictatorships that the White House proudly claimed as a partner in the coalition of the willing to "liberate" Iraq.)

An even clearer case of Bush's policies working to undermine democracy is Indonesia, home to 210 million people, overwhelmingly Muslims. Since the fall of the dictatorial Suharto government in 1998, the country has moved unevenly toward reform, with progress threatened by a military establishment populated by members of the old regime. Following massive military-instigated violence in East Timor in 1999, Congress cut off bilateral military contacts and assistance and made their resumption contingent on improvements in human rights.

The Bush administration, however, has waived these concerns and provided \$50 million in counterterrorism assistance for Indonesian security forces. Improvements, meanwhile, have been hard to detect, with the province of Aceh currently under martial law and its residents subject to

Repeatedly, rhetorical support for democracy gives way in practice to a process in which anyone anywhere grappling with rebellious Muslims can count on U.S. backing.

Secretary of State Colin Powell writes proudly in the January 2004 issue of *Foreign Affairs* that "U.S. relations with China are the best they have been since President Richard Nixon first visited Beijing more than 30 years go," in part "because the September 11 attacks led us to shuffle priorities."

To the north, Russia's ongoing conflict with the province of Chechnya rather plainly has little in common with al-Qaeda's nihilistic war. Yet President Vladimir Putin finds it convenient to proclaim his campaign of repression just one more front in the war on terrorism. Bush might have distanced the United States from this position—one that virtually ensures growing anti-American sentiment among Chechens and other Muslims in the Caucasus. Instead, he has continued to follow his strangely pro-Putin instincts, even as Putin has eliminated Russia's independent media, used highly selective prosecutions against opposition leaders, and secured a parliamentary supermajority for a party with no ideology beyond blind obedience to the Kremlin. All key government posts are now in the hands of former KGB operatives, and financing opposition parties can earn you a jail sentence. Bush is not to blame for all this, of course, but his failure to express any concern about it doesn't help matters.

Regional democracy advocates point to Bush's commendable conduct during the recent turmoil in Georgia as an example of how clear U.S. support for reformers can produce positive change. But it stands in contrast to the administration's behavior throughout the rest of the former Soviet Union. In Azerbaijan, for example, where the State

summary executions, "disappearances," and beatings that the government has failed to investigate, accompanied by a crack-down on press freedoms in the area. Human-rights organizations have also expressed concern over an uptick in recent years in prosecutions for the crime of "insulting the president or the vice president." Once again, rhetorical support for democracy gives way in practice to an expansive view of the war on terrorism under which it seems that anyone anywhere grappling with a group of rebellious Muslim citizens can count on unconditional U.S. backing.

AMERICAN VOTERS MAY OR MAY NOT PAY ATTENTION TO such details. But the people of the world do pay attention to what America does in their neighborhoods, so it should hardly be surprising that this maze of contradictions has badly damaged U.S. credibility. The interesting element of the so-called Great Middle East Initiative's failure is less that it didn't gain the support of the Middle East's dictators (why would it?) than that the Middle Eastern *public* was cool to the idea as well. *The Washington Post* reported on March 20 that "even reformers privately say they fear that any U.S. imprimatur would discredit the initiative in the eyes of the Arab public."

The problem, says Lynch, is that "there's a real credibility gap" when it comes to Bush's pro-democracy rhetoric. "When George Bush goes to [Egyptian President] Hosni Mubarak or goes to these folks in the [Persian] Gulf and he says, 'We need you to stay out of the way when we invade Iraq,'" rulers and ruled alike know that the president is serious. When he

speaks of democracy while implementing an unpopular agenda and failing to impose any sanctions on local dictators as long as they cooperate with the U.S. military, Lynch says, people stop taking him seriously. As a result, Bush has “made it impossible for these people to align themselves with those sorts of demands” for liberalization.

The Great Middle East Initiative flip-flop, meanwhile, is only going to make it harder for the United States to get serious about democracy promotion in the future. Currently, the administration is working on reconfiguring the plan to make it more dictator-friendly—less a visionary call for further steps than a grand public endorsement of already planned (and mostly minor) reforms. “Each nation has to find its own path and follow that path at its own speed,” Powell told reporters at a March 19 press conference in Saudi Arabia designed to smooth ruffled feathers with the kingdom’s ruling princes. This is a step that will encourage Arab leaders’ current enthusiasm for a “China model” of liberalization—securing certain market reforms without relaxing any political control. A China model may advance the interests of American business and allow the Bush administration to continue making foreign policy without regard to local public opinion; but if democracy is really the goal, it will only further delay its arrival.

The tragedy here is that Bush’s speechwriters have things essentially right. A forward strategy of freedom that was realistic and meaningful would be an excellent thing to have. Unfortunately, the current one is nothing but a rationalization for a war that has done precious little to advance freedom anywhere.

The administration’s maximalist framing of the terrorism war, and the deals it has cut with unsavory leaders because of that decision, is having its most deleterious effect on *re-*

formers in those countries. While the aforementioned regimes are at least nominally aligned with the United States against violent jihadism, perverse incentives exist that all but guarantee that the dictators will fight terrorism in about the same way that Captain Renault cracked down on gambling at Rick’s. A Musharaff or a Karimov is only able to pitch himself as worthy of U.S. support on the grounds that the alternative would be worse. If not me, the dictators say, the Islamists would take over. In certain times and places this may, in fact, be a correct assessment of the situation. But ready U.S. acceptance of such arguments gives autocrats every reason to ensure that their regime—and the world—is *always* threatened by Islamist violence. If, somehow, the problem were to go away, so would the U.S. support, and backward regimes would find themselves without the kind of money and muscle that only the United States can provide against their remaining domestic opponents.

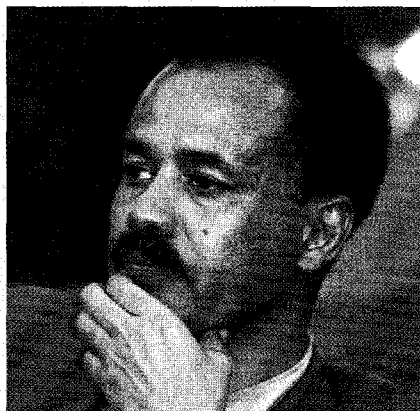
As a result, these autocrats tend to demonstrate much more interest in cracking down on liberal opposition groups than on the Islamists we are supposedly supporting them against. A perfect example is provided by Musharaff’s antics in Pakistan’s recent parliamentary election. Candidates were required to possess a college degree in order to be eligible, obviously a violation of democratic principles. But if the goal was to hold back an Islamist tide, why were *madrassa* certificates accepted as a qualification equivalent to a college degree? The result was that many secular candidates were banned from running, while all the leaders of religious parties were in the clear. The upshot: Islamists, who have never performed well in Pakistan’s sporadic elections, more than doubled their share of the vote over their previous high. This, in turn, lends superficial credibility in the future to arguments that continued U.S. support—to the tune of \$3 bil-

Meanwhile, in Africa ...

BY JASON VEST

An interesting case study in the Bush administration’s penchant for forging bilateral alliances that are enabling some truly wretched regimes is Eritrea, a small Horn of Africa nation strategically located on the Red Sea, where some on the right would like to establish U.S. air and naval bases.

Eritrea is a truly remarkable country: There’s virtually no crime; its half-Christian, half-Muslim population is highly nationalistic and anti-Islamist; intrinsic to the national character is a zealous ethic of self-reliance; and, unlike most places in Africa, the infrastructure is both functional and aesthetically pleasing. Indeed, with the capital city of Asmara’s constantly working water and electricity, swaying palm trees, stucco villas, and Fiat taxis, you might think you were in a slightly run-down art-deco city on Italy’s Mediterranean coast, not in an African capital plunked in the



Eritrean strongman Isaias Afewerki

middle of a 7,500 foot mountain plain.

But you’d also notice a lack of independent newspapers—and a lack of the editors and writers responsible for their production. You might

also notice the ranks of senior government leadership seeming to be a tad thin. That’s because these days, quite a few Eritrean journalists and statesmen are in jail. Indeed, according to Amnesty International, since 2001, at least several hundred Eritreans have been rounded up and held incommunicado for the crime of wanting their constitution implemented.

When war broke out with neighboring Ethiopia in 1998, there was no lack of Eritrean national consensus about the need to rally around leader Isaias Afewerki. As chief of a guerilla movement that spent decades righteously fighting for Eritrean independence, Isaias’ veneration knew no bounds (imagine Douglas MacArthur, John F. Kennedy, Michael Jordan, and Eminem all rolled into one) by the time Eritrea got its sovereignty in 1993, and his assumption of presidential duties sans election was welcomed by the people. But in May 2001—almost a year after the border war with Ethiopia ended—15 prominent Eritrean political figures, now known as G15, wrote Isaias a letter calling

lion over five years—for the military regime is the only alternative to an Islamist takeover. The regime's shenanigans aside, however, there remains little reason to believe that radicals would win a free and fair election.

TURNING THIS STATE OF AFFAIRS around and moving toward a real strategy of democracy promotion ought to be an important part of the liberal alternative to Bushism. Unfortunately, Democrats don't seem very interested in democracy. John Kerry has called for increases in foreign aid, noting in one speech that "the president's budget for the National Endowment for Democracy ... is less than 3 percent of what this administration gives Halliburton" and pledging to "support human-rights groups, independent media, and labor unions dedicated to building a democratic culture from the grass roots up." These proposals, however, came in the context of a special foreign-policy address delivered at the University of California, Los Angeles' Burke Center for International Relations and haven't been a prominent component of Kerry's campaign elsewhere on the trail.

There are a few Democratic exceptions, such as Senator Joe Biden, who delivered a strong address to the Libyan parliament on March 3. But for the most part, Democrats have not grappled with these questions in the way that they deserve. That party leaders have not, in the two and a half years since 9-11, produced anything resembling a plan for fighting



Rummy Buddy: Recent elections in Pervez Musharaff's Pakistan were designed to help Islamists win seats.

terrorism abroad and spreading democracy bespeaks a tragic lack of seriousness. For too many rank-and-file liberals, meanwhile, the thinking seems to be that the mere fact that Bush says he's for something means we have to be against it. The problem with Bush's repudiation of realism isn't that it espouses high ideals but that his administration doesn't know—or perhaps doesn't care—how to put them into practice. Instead of replacing realism with something better, the president and his neoconservative advisers have simply made a mess of things. One can only hope that someone comes along who knows how to clean it up before it's too late. ■

for the implementation of Eritrea's new constitution, a document ratified, but not activated, shortly before the war in 1998.

This was, apparently, too much for Isaias—who, ironically, would have been a shoo-in as Eritrea's first elected president. Of the May 2001 letter's 15 signatories, 11 were seized in September of 2001. That month Eritrea's independent press was shuttered, and nearly a dozen reporters and editors were arrested. By late last year, an estimated 300 Eritreans were being held incommunicado on account of their democratic proclivities, along with scores of others who have defied Isaias' decree that only the Catholic, Orthodox, Eritrean Lutheran, and Muslim religions may be practiced.

The continuing incarceration and flight of dissidents have proceeded apace. More than a dozen more diplomats and journalists have been arrested, and no fewer than 14 diplomats and five air-force pilots have gone into exile. Most recently, the wife of jailed G15er Petros Solomon was arrested upon returning to Eritrea

after an extended visit to the United States.

Listen to certain elements of the American right, however, and you wouldn't know any of this. In July of 2002, the Jewish Institute for National Security Affairs passed a resolution calling for the "establishment of U.S. military facilities in Eritrea," effusing over Eritrea's status as an "island of stability in a volatile area." Not only were veteran Horn of Africa watchers amazed at the communiqué's failure to acknowledge Eritrea's downward spiral on human rights and civil society; they were also floored that the group made no mention of the fact that among the hundreds being held incommunicado are two Eritrean employees of the U.S. Embassy. And while the March 2004 edition of *The Atlantic Monthly* listed Eritrea as one of the world's most repressive regimes, in an April 2003 *Atlantic* article deriding Yemen and exalting Eritrea as a potential site for U.S. bases in a "transformed" Middle East, longtime neocon shill Robert Kaplan soft-pedaled the regime's excesses, concluding that Eritrea's unique approach to assuring "sta-

bility and discipline" make it "the perfect base for projecting American power and helping Israel in an increasingly unstable region."

While the State Department has made it clear that bases and airstrips in Eritrea are out of the question—especially as long as U.S. Embassy personnel are being unjustly detained—limited U.S.-Eritrean military and intelligence operations have gotten under way. And while some hawks continuously invoke as retrospective justification for the Iraq War the "25 million free Iraqis," Donald Rumsfeld has made it clear that in the name of the war on terrorism and an Americanized Middle East, Eritrea is no Iraq. "A country is a sovereign nation," Rumsfeld said in response to a question about human rights after meeting with Isaias in 2002. "And they arrange themselves and deal with their problems in ways that they feel are appropriate to them."

Unless, of course, the United States asserts that you have weapons of mass destruction. ■

JASON VEST is a Prospect senior correspondent.

Earth Last

Environment and Public Works Committee Chairman James Inhofe is waging a war on science so extreme that even the Bush administration seems moderate by comparison.

BY CHRIS MOONEY ILLUSTRATION BY MCDAVID HENDERSON

AT A RECENT HEARING OF THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, the Republican chairman, James Inhofe of Oklahoma, confronted Environmental Protection Agency Administrator Mike Leavitt with a serious complaint. Leavitt had come to the Hill to defend President Bush's 2005 budget, which proposes to slash the EPA's various science programs by nearly \$100 million. A staunch conservative, Inhofe once famously dubbed the EPA a "Gestapo bureaucracy"—but in this case, he stood up for the agency's research-and-development funding. "I'm an advocate of sound science," Inhofe proclaimed.

Inhofe has been stressing this theme ever since he took over the committee following the November 2002 elections. He's pledged that on his watch, the committee will "improve the way in which science is used." Last summer he even delivered a 12,000-word Senate floor speech titled "The Science of Climate Change," outlining conclusions he said he'd reached after several years of studying the issue.

The trouble is, Inhofe's views are way out of whack with the scientific mainstream. He argues that natural variability, rather than human influence, is the "overwhelming factor influencing climate." This contradicts both the United Nations' Intergovernmental Panel on Climate Change and the National Academy of Sciences (NAS), which have emphasized the central role of human activities in explaining recent global warming. Asked in writing whether Inhofe agrees that he's at odds with the scientific mainstream, his committee staff retorted, "How do you define 'mainstream'? Scientists who accept the so-called 'consensus' about global warming? Galileo was not mainstream."

But Inhofe is hardly Galileo. In fact, his involvement in a lawsuit seeking to suppress a groundbreaking scientific report on possible effects of climate change in the United States—such as biodiversity losses and threats to coastal areas due to higher sea levels—arguably puts him more on the side of Galileo's oppressors.

If Inhofe is out of step with science, though, he's right in line with his conservative and pro-business constituency. Since 1999, according to the Center for Responsive Politics, Inhofe has received almost \$300,000 in campaign donations from oil and gas interests and nearly \$180,000 from electric utilities. In the 2002 election cycle, he received more oil and gas contributions than any senator except Texas' John Cornyn.

Meanwhile, Inhofe's "sound science" mantra—a watchword of the business community and favorite refrain of Bush himself—appears several times in a recent Republican strategy memo providing talking points on the environment. On global warming, the memo, drafted by pollster Frank Luntz, cynically advises, "The scientific debate is closing [against us] but not yet closed. There is still a window of opportunity to challenge the science." Challenging the science is precisely what Inhofe has done—vigorously. (Inhofe's staff confirmed that he'd read the Luntz memo.)

In February, 20 U.S. Nobel laureates denounced the Bush administration's political manipulations of science. But if Bush is bad, Inhofe is a kind of scientific Attila the Hun—and nowhere more than on the issue of climate. That he now controls the Senate's environment committee suggests that today's GOP, run by dyed-in-the-wool conservatives instead of moderates like John McCain, has developed a dangerous relationship with scientific knowledge itself.

FEALTY TO "SOUND" SCIENCE

A former Tulsa mayor and small-business man, Inhofe has consistently received goose eggs on the environment from the League of Conservation Voters (though he recently improved his rating to 5 percent). He became Environment and Public Works chairman in January 2003, following the relatively brief tenure of Vermont Independent Jim Jeffords. As debate intensified last summer over legislation by Senators McCain and Joe Lieberman to curb greenhouse-gas emissions, Inhofe quickly opted for the Luntz strategy on climate. He presided over a fur-flying hearing pitting two climate-science contrarians against a lone representative of the global scientific consensus on the issue.

Inhofe opened the hearing by swearing fealty to "sound science." He then lavished praise on a highly controversial paper, authored by two scholars at the Harvard-Smithsonian Center for Astrophysics, that has been denounced by mainstream climate scientists. "In many important ways," Inhofe declared, the study "shifts the paradigm" away from the accepted view that the late 20th century saw unprecedented global temperature spikes.

Harvard astrophysicist Willie Soon, one of the paper's authors, then spoke, claiming his work showed that 20th-century temperatures were not, in fact, anomalous. He didn't

note, however, that his research had been partly funded by the American Petroleum Institute. Soon—who did not respond to written questions submitted for this article—was backed by David Legates of the University of Delaware, another contrarian and co-author of a later version of the paper. Both scientists have collaborated in the past with the George C. Marshall Institute, an organization skeptical of much climate-change science that received \$90,000 from ExxonMobil in 2002, the last year for which records are currently available. Until recently, Soon was a senior scientist with the institute and received a small stipend for his work, according to President William O’Keefe, and Legates has written a paper and book chapter for the group. O’Keefe himself has previously chaired the (anti-Kyoto Protocol) Global Climate Coalition and served as chief operating officer of the American Petroleum Institute. In addition, he’s a registered

Baliunas, who did not return calls for this article—appeared in a small journal called *Climate Research*, several editors, including Editor in Chief Hans von Storch, resigned to protest deficiencies in the review process leading up to the paper’s publication. In a subsequent statement, journal founder Otto Kinne agreed with critics that Soon and company’s published conclusions “cannot be concluded convincingly from the evidence provided in the paper”—hardly an auspicious start for Inhofe’s “paradigm shift.”

Inhofe’s hearing pitted Soon and Legates against a single representative of the consensus view among climate scientists, the University of Virginia’s Michael Mann. Using “proxies” such as tree rings, ice cores, and corals, Mann and other scientists have reconstructed climate records showing that recent temperatures represent an anomaly in the context of the past 1,000 years. This conclusion has been embodied in



lobbyist for ExxonMobil, though he comments, “I keep my Exxon work and my Marshall work separate.”

Inhofe and others question whether fossil-fuel connections bias climate science. “It’s not the politics of the scientists that counts or who funds them,” says O’Keefe. “It’s the immersion of the hypothesis in the acid bath of truth.” But, in fact, there’s ample reason to pay close attention to the connections between energy interests and those taking contrarian stances on climate. In 1998, *The New York Times* reported on an American Petroleum Institute memo outlining a strategy to invest millions to “maximize the impact of scientific views consistent with ours with Congress, the media and other key audiences.” According to the memo, a representative of the Marshall Institute helped develop the plan. O’Keefe says the agenda outlined in the memo was never pursued, but its very existence justifies close scrutiny of industry ties to individual climate-science contrarians.

Moreover, since its publication in 2003, the work of Soon and Legates has been embroiled in controversy over its scientific legitimacy. After Soon’s original paper—co-authored with fellow Harvard-Smithsonian astrophysicist Sallie

an iconic “hockey stick” graph showing relatively moderate oscillations until temperatures spiked upward at the end of the 20th century. Though multiple studies confirm the basic thrust of his work, Mann’s association with the hockey stick has made him a target of various climate-science skeptics.

At Inhofe’s hearing, Mann defended the conclusions of the Intergovernmental Panel on Climate Change (IPCC), a UN body whose rigorously peer-reviewed work—a kind of gold standard of climate science—relies on the contributions of some 2,000 global scientists. But for those keeping count, the scientific scoreboard in the Senate that day showed a margin of 2 to 1, not a handful versus 2,000. Asked whether the hearing was truly “balanced,” Inhofe’s committee staff responded that the question “assumes that every scientist that contributed to the IPCC agrees with the theory of catastrophic global warming.” They then cited a single IPCC contributor—the well-known contrarian Richard Lindzen, an MIT professor and hero of global-warming skeptics—who has challenged the panel’s conclusions.

But even if the work of Soon, Baliunas, and Legates has a dim scientific future, Inhofe’s decision to highlight it

feeds into a clear political strategy: Challenge the science at all costs. Inhofe isn't the only one pursuing this approach. Not long before his hearing last year, according to an exposé in *The New York Times*, the White House pressured EPA scientists to delete a hockey-stick diagram and instead include a reference to the Soon and Baliunas work in a forthcoming EPA report. The EPA ultimately opted to cut the section on climate almost entirely rather than misrepresent the scientific consensus.

"THE GREATEST HOAX"

Inhofe has made a virtual hobby out of using questionable science to support his agenda on climate change. Last December in Milan, Italy, at an annual UN meeting of parties to the 1992 Framework Convention on Climate Change, Inhofe distributed a brochure titled "The Facts and Science of Climate Change," which plugged the Soon and Baliunas study. Inhofe's document largely rehashed a July 2003 Senate floor speech he delivered, which concluded with a stunning line. "With all of the hysteria, all of the fear, all of the phony science," Inhofe said, "could it be that man-made global warming is the greatest hoax ever perpetrated on the American people? It sure sounds like it."

Inhofe's Milan appearance triggered considerable con-

scribe the state of the science fairly." McCain quoted this line to Inhofe on the Senate floor on October 29, 2003. Yet in response to the *Prospect*, Inhofe's staff made no mention of Schneider's thorough critique.

Inhofe also cited the work of Tom Wigley, a distinguished meteorologist at the National Center for Atmospheric Research in Boulder, Colorado, in arguing that the Kyoto Protocol would only have a small temperature-reduction effect by 2050. But in a letter to Senators Tom Daschle and Bill Frist, Wigley protested that the whole point of the paper in question was to show that the protocol would only be "the first step in a long and complex process of reducing our dependence on fossil fuels." In response to the *Prospect*, Inhofe's staff maintained that the senator had "quoted Wigley correctly." Yet that misses the point: Inhofe used Wigley to suggest that the Kyoto Protocol would have a miniscule long-term impact, but as Wigley puts it, "there's no possibility of doing Kyoto and then doing nothing else" because the treaty would set in motion other mitigation policies.

The most striking thing about Inhofe's climate-science speech, however, is not the scientists it misrepresents but the science it ignores. Nowhere does Inhofe even mention a high-profile 2001 report by the National Academy of Sciences, commissioned by the Bush administration, which

Inhofe's staff complains that a passage in an NAS report has been paraded by "climate alarmists." If so, there's good reason: It presents the current consensus.

trovery, as well as some fun at the senator's expense. The National Environmental Trust (NET) whipped up posters showing Inhofe's picture and his famous quotation, displaying them for the delegates present. "The reaction in the halls was—well, they just believed it was lampoonable," notes one Democratic Senate staffer. Inhofe apparently loved the poster, though. "He had a sense of humor about it," says NET's Mark Wenzler, adding that Inhofe "actually signed a copy of the poster for us."

If Inhofe's rhetoric has been over the top, he's also used some questionable strategies to back it up. In his Senate speech on climate change, and on a poster board displayed in Milan, Inhofe listed a slew of authorities—including a number of mainstream scientists—who supposedly back his view of climate science. But some of these scientists have protested that they were misrepresented. In response to questions from the *Prospect*, Inhofe's committee staff insisted that Inhofe would not apologize because his representations of the scientists' work were accurate.

But few of the defenses from the senator's staff withstand scrutiny. For instance, in his Senate speech, Inhofe described the distinguished Stanford climatologist Stephen Schneider as a critic of the IPCC, claiming that calculations published by Schneider in the journal *Nature* "cast serious doubt" on the IPCC's upper-end projection of 5.8 degrees (Celsius) of warming by 2100. In a lengthy rebuttal submitted in response to questions from Senator McCain, however, Schneider wrote, "It is misrepresenting my views to characterize them as even implying that IPCC has exaggerated or failed to de-

confirmed the reliability of the IPCC's work. In its opening sentences, that report stated point-blank, "Greenhouse gases are accumulating in Earth's atmosphere as a result of human activities, causing surface air temperatures and subsurface ocean temperatures to rise. Temperatures are, in fact, rising." Inhofe's staff complains that this passage has been "tirelessly paraded by climate alarmists," but if so, there's good reason: It succinctly presents the current scientific consensus.

In ducking this statement by the United States' leading scientific body, Inhofe isn't alone. Even though the Bush administration commissioned the NAS report, it, too, has run away from it. White House edits to the aforementioned EPA report, for example, sought to remove references to the academy's findings. Inhofe may be more abrasive than the president, and he may make the White House's policy on climate change—focused on "more research" to reduce remaining uncertainties rather than action—seem moderate by comparison. But, practically speaking, the two aren't so far apart.

WHO'S AFRAID OF A LITTLE MERCURY?

Climate change isn't the only issue on which Inhofe has highlighted scientific outliers in order to make the case for lax regulation. Consider the issue of mercury pollution. A heavy metal released into the air largely by electric utilities, and especially coal-fired power plants, mercury falls to the earth in rain and makes its way into bodies of water. There, bacteria change it into methylmercury, which can cause brain damage and developmental problems in fetuses

and children. Methylmercury filters up the aquatic food chain, reaching its highest concentrations in large fish like tuna, which when eaten by humans can cause serious problems, especially for pregnant women. According to the EPA, 630,000 newborn children in the United States had dangerous blood mercury levels in 1999–2000.

Mercury from power plants has never been regulated in the United States, but the Clinton administration took steps toward issuing tough new rules requiring that power plants use the “maximum achievable technology” to cut pollution. In late 2003, however, Bush’s EPA proposed far weaker regulations: a 70-percent reduction of mercury emissions from power plants by 2018, achieved through a market-based “cap and trade” system. Scientifically, the lax approach—which has opened up the administration to a barrage of criticism—takes part of its justification from the testimony provided before Inhofe’s committee last July. Not unlike the climate-change hearing, the event selectively highlighted the only epidemiological study suggesting that chronic exposure of pregnant mothers to mercury doesn’t pose risks to fetuses—even though two other major studies, and a comprehensive assessment of the existing literature by the National Academy of Sciences, say it does.

Inhofe’s hearing once again presented the testimony of three scientists. The first, from the industry-sponsored Electric Power Research Institute (EPRI), argued that much of the mercury deposited in the United States comes from overseas and that emissions reductions would thus have little effect. No counterpoint was offered on this controversial question. The rest of the hearing then pitted Dr. Deborah Rice, a former EPA toxicologist defending the mainstream view of mercury’s health risks, against Dr. Gary Myers of the University of Rochester, lead author of the only significant study that does not find harmful effects from fish consumption (conducted in the Seychelles Islands off the coast of Africa, where the population consumes large amounts of fish).

Calling the Seychelles work “anomalous,” Rice explained that “at least eight studies based on populations around the globe”—two of them large epidemiological studies—supported the conclusion that mercury exposure is dangerous to fetuses. The NAS panel therefore considered the weight of the existing evidence and concluded that it could hardly rely upon the one study, from the Seychelles, that reached a different conclusion than all the others. Myers, however, implicitly disparaged all the other studies, as well as the NAS, in his testimony. “We do not believe that there is presently

good scientific evidence that moderate fish consumption is harmful to the fetus,” he said.

No one at the hearing mentioned that, through the Food and Drug Administration and University of Maryland’s Joint Institute for Food Safety and Applied Nutrition, the EPRI contributed \$486,000 to a Seychelles-related research project involving Myers’ group. In an interview, Myers said the funding did not support “the main study in the Seychelles,” but rather “some related studies.” Yet others contend that that funding is relevant for assessing all of the Seychelles work. “Think about what your mother might say,” says Rena Steinzor, director of the environmental-law clinic at the University of Maryland and a board member at the Center for Progressive Regulation. “Would she want to know that

some doctor who told her mercury in fish was safe had been given money by the industry most affected by proposals to cut this pollution?”

As on the climate issue, Inhofe leaned toward the industry-friendly outlier position. His questioning emphasized that fish are part of a healthy diet, and appeared to challenge the prominent Faroe Islands mercury study, which did show damaging effects on child development and was relied upon by the NAS. Once again, Inhofe’s staff insisted that the panel was balanced. Myers’ work, they wrote, is “the most comprehensive study to date.”

Ironically, the mercury issue links back to climate change in a surprising way. In December 2003, the Center for Science and Public Policy at the con-

servative Frontiers of Freedom Institute came out with a report saying that the EPA’s initial push to regulate mercury stringently—since watered down—was “not justified by science.” Like Inhofe’s staff, the report treated the Seychelles work of Gary Myers as definitive. One of the report’s two authors was none other than Dr. Willie Soon, listed as “science director” of the Center for Science and Public Policy. Frontiers of Freedom received \$232,000 from ExxonMobil in 2002.

REPORT BURNING

But perhaps the most anti-scientific part of Inhofe’s agenda has been his involvement in a legal push, led by the conservative Competitive Enterprise Institute (which received \$405,000 from ExxonMobil in 2002), to suppress a trail-blazing Clinton-era report focusing on potential impacts of climate change on different U.S. regions—the so-called National Assessment. Perhaps because the National Assessment makes the consequences of climate change very clear in an almost visceral way, it has been ferociously attacked by those hoping to stop preventive action. “It says



Plane Folks?: James Inhofe with President Bush, August 2002

exactly what will happen in people's backyards, so it's very powerful," says Princeton University climate scientist Michael Oppenheimer.

Conservatives first brought a lawsuit over the National Assessment in late 2000, not long before Bill Clinton left office. Filed by the CEI with Inhofe as a co-plaintiff, the suit alleged various procedural deficiencies in the report's preparation. It then stunningly demanded a block on the report's production or utilization—in other words, a court's withholding of scientific information. Co-plaintiff Jo Ann Emerson, a Republican representative from Missouri, charged, "The administration is rushing to release a junk science report in violation of current law to try to lend support to its flawed Kyoto Protocol negotiations."

But leading scientists think differently and have said so. An entire section of the 2001 NAS report was devoted to discussing the National Assessment, which it said "provides a basis for summarizing the potential consequences of climate change." And another NAS panel tasked with reviewing the Bush administration's 10-year climate-change research plan recently observed that the National Assessment made "important contributions to understanding the possible consequences of climate variability and change," calling the report's review process "exemplary."

saying that the report had not been subject to Data Quality Act guidelines. Yet the Data Quality Act wasn't even in effect when the report was prepared. Meanwhile, the administration's strategic plan on climate research omits any presentation of the National Assessment's key findings and results—something for which it was twice taken to task by the National Academy of Sciences panel that reviewed the plan. "All the way through the climate-change science plan, [the administration] clearly had distanced [itself], in a not very shy way, from the U.S. National Assessment," says Jerry Mahlman, former director of the National Oceanic and Atmospheric Administration's Geophysical Fluid Dynamics Laboratory, who sat on the panel.

For atmospheric physicist Michael MacCracken, who successively directed the offices of the U.S. Global Change Research Program and the National Assessment during the Clinton years, the result has been depressing. "Information is normally of value," he muses. But Inhofe doesn't seem to take that view. The *Prospect* asked the senator's staff the following question: Even if the National Assessment has flaws (as most studies do), is that grounds for bringing a lawsuit over research that could inform Americans about future risks and how to prepare themselves? The committee basically deflected the question. "In other words," it responded, "should

"When we learn the seriousness of this problem," says Chris Shays, "Senator Inhofe and I and others probably won't be in office, and they'll never be held accountable."

After Clinton left the White House, the Bush administration settled the CEI lawsuit with an admission that the National Assessment was merely a government report and didn't represent official policy. But in the meantime, Emerson had attached a brief rider to an appropriations bill that would soon become known as the Data Quality Act. The law creates a new means for parties to submit complaints, and ultimately lawsuits, over the scientific quality of government information. Though his staff says he doesn't support making major legislative changes by appropriations rider "as a general rule," Inhofe has embraced the act.

In August of 2003, the CEI launched the very first lawsuit under the act, demanding a halt to the report's dissemination by the government. Inhofe wasn't involved in the second suit directly, but as *The Washington Post* reported, his committee invited a CEI attorney involved in both cases to attend a meeting between UN representatives and congressional staff in early 2003. This outraged many Democrats present, who claimed the appearance was "highly unusual and a breach of congressional protocol." The meeting concerned a series of climate-change reports that the United States is required to submit to the United Nations under the Framework Convention. The lawyer, the CEI's Christopher Horner, says he was "not there in pursuit of information relating to any pending lawsuits."

In any case, the suits have clearly had a chilling effect. After the White House settled with the CEI a second time, the government Web site displaying the National Assessment was amended to include a prominent disclaimer

major decisions, affecting the country's economic well-being, be based on flawed scientific research? Clearly not."

So you might say that Inhofe has put ideology over even the availability of scientific information. There's some historical precedent for this. In the late 1920s and early '30s, a "scientist" named Trofim Lysenko largely took control of Soviet biological and agricultural research for several decades. During that time, he institutionalized the pseudo-scientific notion that the theory of genetics constituted an affront to socialism—the party line. The damage done to Soviet science was immeasurable, and the term "Lysenkoism" has since become synonymous with suppressing or refusing to acknowledge science for ideological reasons.

Inhofe's actions have already had serious consequences: His 2003 battle against the science of climate clearly helped prevent passage of the McCain-Lieberman Climate Stewardship Act. Unlike in the former Soviet Union, though, we still have dissent in the United States, including from moderates in Inhofe's own party like McCain and Connecticut's Chris Shays. "When we learn the seriousness of this problem," says Shays of climate change, "Senator Inhofe and I and others probably won't be in office, and they'll never be held accountable."

But at the very least, Inhofe's claim that global warming is a "hoax" seems sure to be remembered in years hence—although not, perhaps, in quite the way that he might like. ■

CHRIS MOONEY, a *Prospect* senior correspondent, is writing a book about the Republican Party and science.



Tanks a Lot: Those Republicans sure know how to play up the symbolism.

Radcon 3

The right-wing trifecta—morality, prosperity, and patriotism—and how to fight it.

BY ROBERT B. REICH

IN MY VIEW, BEING A LIBERAL IS SOMETHING TO BE PROUD of. Yet for more than 20 years, liberals have been on the defensive and conservatives ascendant. Radical conservatives—“radcons,” I call them—are taking over the public agenda. Radcons are revolutionaries. For them, ends justify means. They’ll do whatever it takes to win. Listen to Paul Weyrich, prominent radcon founder of The Heritage Foundation and coiner of the term “moral majority”: “We are no longer working to preserve the status quo. We are radicals, working to overturn the present power structure of the country.” And they are meeting with woefully little resistance.

To understand their radicalism, you need to understand their notion of evil.

This article is adapted from Robert B. Reich’s new book, Reason: Why Liberals Will Win the Battle for America, to be published this month by Alfred A. Knopf, a division of Random House, Inc. Copyright 2004 by Robert B. Reich.

To radcons, the major threat to the security of our nation, the stability of our families, our future prosperity, and the capacity of our children to grow into responsible adults is a dark, satanic force. It exists within America in the form of moral deviance—out-of-wedlock births, homosexuality, abortion, crime. It potentially exists within every one of us in the form of sloth and devastating irresponsibility. It exists outside America in the form of “evil empires” or an “axis of evil.” There’s no compromising with such evil. It has to be countered with everything we have. Religious faith and discipline are the means of redemption. Punishment and coercion are the only real deterrents. Fear is the essential motivator.

The radcons’ dominance is due in part to their money, discipline, and tactics. But the most fundamental source of their dominance has been their capacity to shape the public debate around this idea of evil. Put simply, radcons have offered America a set of ideas that celebrate “us” and condemn “them.” Unless “our” values prevail, “they” will triumph.

THE RADCONS' ARGUMENTS ARE ORGANIZED AROUND THREE themes: morality, prosperity, and patriotism. The radcon version of morality seeks to impose private religious norms about sex and the family on the entire nation, transforming matters of private morality into law. But radcons are looking in the wrong direction. America is facing a moral crisis, but it is abuses of authority at the highest levels of America that are stacking the deck against average working people and small-scale investors, not to mention undermining public trust in the entire economic and political system. The *real* public moral breakdown is at the top, where too many powerful and wealthy people are abusing their authority. We are defining deviancy down. Even in the early 1990s, before the stock market soared and then plunged, before the corporate scandals, CEO pay in America was "deviant" in the sense that it was far higher than the pay of CEOs in other countries. Then it grew even more wildly out of line—going from 42 times an average hourly worker's pay in 1980 to 85 times as much in 1990 to more than 280 times as much now. But what had once been disturbing came to be expected. Then, what became expected became acceptable. Finally, what became acceptable began to seem appropriate.

The problem isn't just a few "rotten apples." We need *moral* as well as legal limits on rapacious CEOs, accountants, lawyers, brokers, and investment bankers. Liberals should lead the charge for reforms, as they have done twice over the last century, in the early 1900s and in the 1930s. Both times, liberal reformers were accused of interfering in the free market. But in both instances, liberals prevailed by appealing to public morality and common sense.

The radcon version of prosperity rewards the rich, gives almost nothing to the middle class, and penalizes the poor. It is based on a market-fundamentalist faith that has deep roots in American history. Few Americans living today have read any of Herbert Spencer's writings, but they had an electrifying effect on America during the last three decades of the 19th century. To Spencer, the marketplace was a field for the development of personal character. Only the fittest were able to prosper, because only they were able to muster the necessary resources to maintain themselves and their offspring. It was Spencer, not Charles Darwin, who coined the phrase "survival of the fittest." It's almost startling to find how exactly Spencer's views are echoed by today's radcons. The America of the late 19th century went through a technological revolution. Today's social problems differ in many ways but the upheaval caused by today's technological revolution is no less dramatic.

The radcons are dead wrong about how to grow the economy. Their solution is to raise the level of savings and reduce consumption in order to create more capital. But the real way to do it is by widening the circle of prosperity to include Americans who have been falling behind. Rather than cut taxes on the rich in order to generate more financial capital, we need to use those tax revenues instead to improve the productivity of all Americans. In a world where financial capital moves across borders at the speed of an electronic impulse, our people—our *human* capital—are the

one asset that's uniquely American. Shared prosperity isn't incompatible with growth; it's essential to it.

But in the post-September 11 world, patriotism has arguably emerged as the area in which radcon rhetoric has proven most effective. It has certainly been the most intimidating to Democrats—and infuriating to liberals.

The radcon version of patriotism is downright dangerous. I call it "negative patriotism" because it stifles dissent at home and insists that America be so much stronger militarily than any other nation that we can bully others into submission. What is the role of patriotism in an age of terrorism? Radcons emphasize pledging allegiance, showing the American flag, and singing the national anthem. They label as "traitors" anyone who criticizes the president or questions any detail of America's "war on terrorism." Their goal is to keep America the most powerful nation on earth and force into submission any other nation that might threaten us. Their patriotism is all about expunging "evil" outside our borders. Terrorism is another evil that must be eliminated through discipline and force. And the war on terrorism is another example of us against them—if you're not with us, you're against us.

The radcon version of patriotism requires no real sacrifice by most Americans, nor does it ask anything of the more fortunate members of our society. Radcons don't link patriotism to a citizen's duty to pay his or her fair share of taxes to support the nation. And they don't think patriotism requires that all citizens serve the nation. Theirs is a shallow patriotism that derives its emotional force from disdaining foreign cultures and confronting foreign opponents. As such, it imperils the future security of America and the

world, for reasons I will outline in a moment.

Yet many liberals have been silent about patriotism. They seem wary of it or, at best, embarrassed by it. Perhaps that's because, in recent decades, patriotism has so easily morphed into crass "America first" chauvinism. But that's not the only form patriotism can take. Liberals must promote a "positive patriotism" that stands tough against terrorism and genocide, yet doesn't need a foreign enemy to define itself or in order for it to flourish. At its best, the American tradition of liberal internationalism has reflected our drive to expand our founding ideals of liberty, equality, and democracy.

Among my earliest memories is my father telling me what a wonderful place America was and what a privilege it was to live here. Even though he worried about making enough money to support our family, he always thought of America as a land of wondrous opportunity. My father was a patriot, but that didn't stop him from being critical of America or of the people who led it. He thought that Senator Joseph McCarthy was a villain, and, years later, that Lyndon Johnson had deceived the nation about Vietnam. He was the first person I heard say that Richard Nixon was a crook.

Dad's patriotism was grounded in American ideals. He got upset when he noticed a wide gap between those ideals and what actually occurred. And in these moments he was participating in the very essence of Americanism.

That gap is still with us and always will be. The ideals are

**Radcon patriotism
requires no sacrifice
by most Americans.
Liberals can do
better than this.**

just that—ideals. They're goals and aspirations. But unless we acknowledge the gap, we can't even begin to close it. If we accept the radcon view that good citizens should keep their criticisms to themselves, we won't ever be able to mobilize the political will to do better.

A childhood friend of mine, Michael Schwerner, went to Mississippi during the summer of 1964 to register black people to vote. Mickey was in his 20s, brimming with optimism and courage. He was murdered, along with two other civil-rights workers, Andrew Goodman and James Chaney, by racist thugs. What motivated the three of them to participate in "Freedom Summer" was that they loved America enough to risk their lives for it and were determined to help close the gap between American ideals and American practices. Schwerner, Goodman, and Chaney were true patriots.

But most of all, a truly positive patriotism asks sacrifices of Americans. What should be asked of individual American citizens in a time of emergency such as ours? Radcons don't ask much more than uncritical support for their policies. I listened recently to a radcon radio talk-show host fulminate against liberal "anti-American traitors" who criticize American foreign policy. Within a minute, he was on to another one of his favorite topics: taxes. "It's *your* money," he thundered, repeating the radcon line we've heard so many times before. "It's not the government's money!" He bloviated on about why it was perfectly OK for citizens to use every tax dodge they could find to avoid paying Uncle Sam.

"It's *your* money" makes it sound as if citizens have no duty to support America. But how can we afford to fight terrorism if everyone tries to avoid paying taxes? What kind of patriotism is this? Real patriotism requires real sacrifice. Those who honestly love America feel a strong sense of responsibility to it. Displaying an American flag is easy. Paying your fair share of the cost of the nation requires some sacrifice.

We don't know exactly how much the fight against terrorism will cost in the years ahead, but it's bound to be far more than the \$400 billion now budgeted annually for the Defense Department. I remember a White House meeting years ago when the president's national-security adviser asked for billions of dollars more than had been budgeted for the Defense Department in order to go into Bosnia. It struck me as odd. I'd assumed that the whole reason for spending hundreds of billions each year on defense was so the military could take military action. But it turned out that the purpose of the defense budget is to be *ready* for military action. Military action itself costs much more. "Battles are extra," I remember him saying.

We have to spend hundreds of billions more rebuilding Iraq, Afghanistan, and other countries we've pledged to help. We'll need to spend a bundle policing against terrorism around the world, even if other nations are pitching in, too. Helping Russia and other nations secure all nuclear-fissile materials will be a further major expense. Add to that the substantial cost of beefing up homeland security. As I've noted, exercising true world leadership is also expensive; it will require far more money, as well as attention, than we devote to it today.

It's *your* money? It's your country! If you weasel out of what you owe in taxes, either someone else has to pay more

taxes to make up the difference or there's less of what's required—roads, hospitals, troops, cops, safety inspectors, teachers—to keep it great.

Traditionally during wartime, taxes were raised on top incomes to help pay for the extra costs of war. The estate tax was imposed by wartime Republican Presidents Abraham Lincoln and William McKinley. It was maintained through World War I, World War II, the Korean War, and the Cold War. Only in 2001 did radcons start to phase it out.

During World War I, the income-tax rate on the richest Americans rose to 77 percent. During World War II, it was greater than 90 percent. In 1953, with the Cold War raging, Republican President Dwight Eisenhower refused to support a Republican bill to reduce the top rate, then 91 percent. By 1980, the top rate was still at 70 percent. Then Ronald Reagan slashed it to 28 percent. Because Reagan kept spending record sums on the military, the federal deficit ballooned. A few years after that, the Berlin Wall came down, ending the Cold War. We congratulated ourselves—and then faced the largest budget deficit since World War II.

Now we're back at war. But instead of raising taxes on the wealthy to pay for it, the radcons want to cut those taxes. Pardon me for asking, but where, exactly, is the patriotism in this?

Liberals must do the arithmetic for the American public. Compare the after-tax earnings of families in the top 1 percent with the after-tax earnings of families in the middle. Between 1980 and 2000, the after-tax earnings of families at the top rose more than 150 percent, while the after-tax earnings of families in the middle rose about 10 percent. The Bush tax cut of 2003 raised the after-tax incomes of most Americans by a bit more than 1 percent, but raised the after-tax incomes of millionaires by 4.4 percent. Apparently, in this time of national emergency, the wealthy have less of a patriotic duty to provide for the financial support of their country than do families of more moderate means.

Even if you're a billionaire, it's not just your money. You earned it because you live in America. President Theodore Roosevelt made the case in 1906, when arguing in favor of continuing the wartime inheritance tax. "The man of great wealth owes a particular obligation to the state because he derives special advantages from the mere existence of government," he said. It's your country. And right now your country needs every American to sacrifice, in fair proportion. Liberals embrace this sacrifice. Radcons want to evade it.

IN THE BATTLE FOR AMERICA, LIBERALS SHOULDN'T RECOIL from morality, prosperity, and patriotism. The radcon versions imperil our future. But unless they're met head-on by a bold, liberal alternative, radcons win by default.

Liberals have reason on our side. But that's not enough. To win, we also need fire in our bellies. Passion is necessary to gather resources, build organizations, and energize participants. I believe that another era of liberalism is on its way. The most important thing for each of us to know is that we're not alone in all this. There are tens of millions just like us—Americans who have had enough of the radical conservatives. Liberals will indeed win the battle for America because we are closer than radcons are to the true American ideals. ■

Bankers Versus Base

Deficit reduction is the wrong obsession. Democrats need to embrace jobs and growth.

JAMES K. GALBRAITH

THERE MAY COME A DAY, IN JANUARY 2005, WHEN THE Democrats will come back to power. Can we perhaps divert ourselves from the campaign long enough to ask, what then?

The Democrats have a problem. Their base wants jobs and security. Their financial leadership wants a return to the Clinton formula of deficit reduction, leaving low interest rates to generate economic growth and jobs. John Kerry's emerging economic platform pays heavy homage to this formula, but it is unlikely to work out. A return to Bill Clinton's policies will not reproduce Bill Clinton's results. There are at least six reasons why this is so.

First, we are still in the turbulent wake of the technology slump. Capacity utilization remains low, depressing business investment. This overhang will heal eventually, but in most sectors it hasn't healed yet. As a result, private business is not yet poised for another takeoff; don't expect another dot-com bubble real soon.

Second, household debt burdens remain high. Households are therefore unlikely to fuel consumption growth by adding sharply to the debts they already have. More likely, the housing bubble will deflate, slowing rather than accelerating consumer spending in the years ahead.

Third, state and local governments are still cutting back, adding the drag of reduced direct-spending cuts and higher taxes to the economy. This is true even though overall state and local budget deficits have been reduced by drastic measures already taken.

Fourth, assuming growth does not give out on its own, interest rates are more likely to rise than to fall once the election is past. We are feeling the pressure now from Europe and Japan (and from our own "strong dollar" advocates) to defend the dollar against the euro. Alan Greenspan, in his oblique but unmistakable way, is already warning that this will happen.

Fifth, our growing structural trade deficit (including the effects of outsourcing) drains increasing U.S. demand overseas even as the economy tries to expand.

Sixth, a climate of fear and apprehension, much aggravated by Team Bush and its war on terrorism, seems to be weighing on the business mind. In such a climate, will companies boldly take new risks, requiring the addition of new employees to the payroll? It appears they won't do it very much—though fits and starts will recur from month to month.

BACK IN 1992, THE BIG BARRIER TO GROWTH WAS FINANCIAL. Banks were recovering from the fiascos of the 1980s and were unwilling to lend. Businesses and households, on the other hand, were very anxious to borrow. We had a "credit crunch," which Clinton's 1993 budget and Greenspan's monetary policies helped to unstuck. After that, the economy grew largely on its own, powered by business optimism and household debt. Today, there is no credit crunch. Our problem is not a shortage of lenders but fear for the future. It is the classic symptom of a creeping depression.

These are the main reasons why job forecasts have been frustrated in the past three years. Economists purport to be surprised about them; we read in the press, repeatedly, that "no one" predicted it. That's not true. Economists who applied a systematic Keynesian framework to current conditions—notably, Wynne Godley of Cambridge University and the Levy Institute, and this author—have been issuing warnings on these issues since the 1990s.

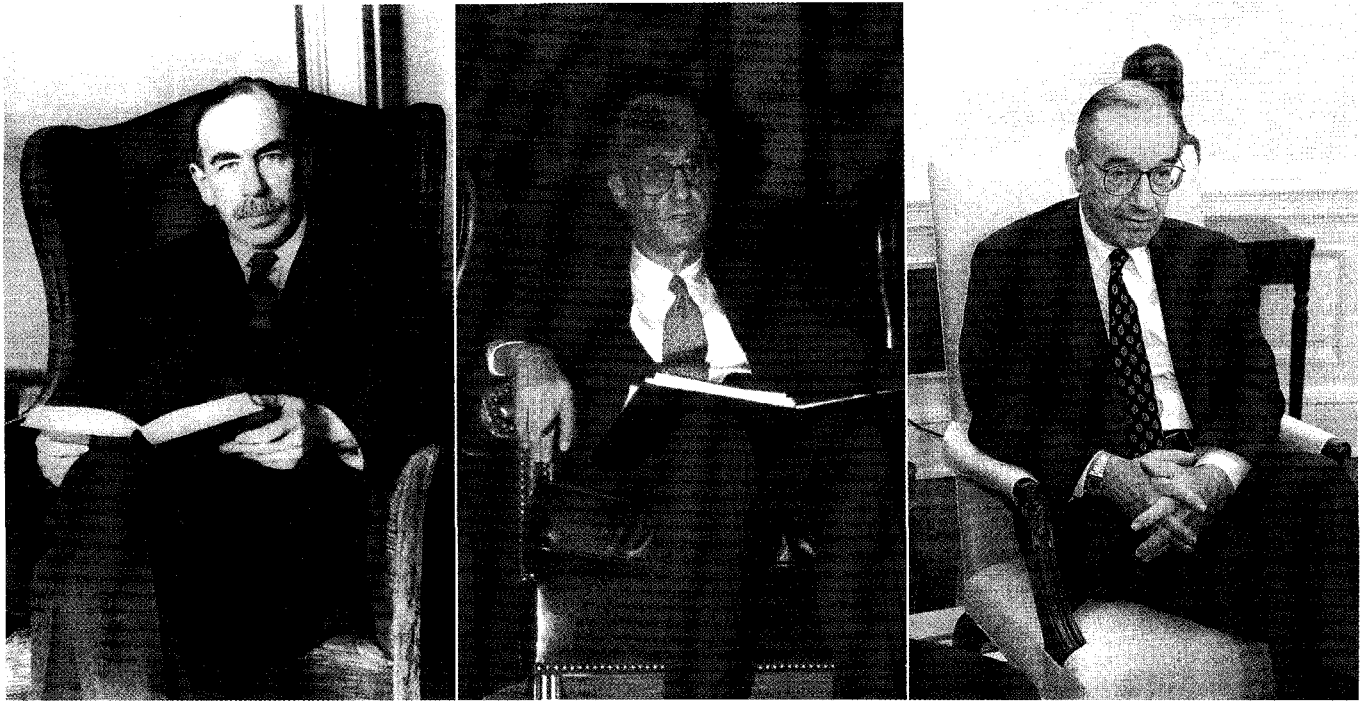
And so, a strategy of fixing the deficits first-and-only won't work in 2005. Declining deficit forecasts will not ensure stable, low interest rates. And easy money will not suffice to bring us back to full-employment prosperity. More—much more—is going to be needed.

The same factors also work against the quick fix of another short-term "economic stimulus" program. One hears this old song from the liberal wing of the Clinton coalition, alongside calls for selective tax breaks of various kinds and increased job training. But under the conditions we now live in, short-term measures—though useful—work only in the short run. Once the stimulus ends, the effects do, too. Cases in point: We had a stimulus package in 2001 (rebates) and again in 2003 (child tax credits). After both, growth rates surged but then subsided. (This cycle may be happening again, thanks to large tax refunds being passed around right now.)

As for training, the problem is not a shortage of skills. It is an extreme shortage of good jobs, combined with bad pay and poor working conditions. Apart from some special cases, job training is a feel-good measure; it does not address the real problem.

The task of the new administration, therefore, will be to set a new direction for growth and jobs, not only for the short

Deficit hawks are winning the battle for Kerry's ear. But the candidate should listen to other voices.



Three Chairs of Thought: (from left) John Maynard Keynes, Robert Rubin, Alan Greenspan

term but also over the medium and long term. Tax cuts (even if targeted well) and easy money are likely to contribute little to this objective. Health-care reform and education are important, but they probably create few new jobs. We need, in short, a patient strategy for social investment—to meet pressing national objectives while creating jobs, recognizing that success will take determination, time, and money.

What objectives? The foremost candidate is sustainable energy security. Reducing our exposure to the world oil economy is a vast public challenge. It would move us toward compact cities, new transport systems, and renewable energy sources, as well as toward much more conservation and efficiency in the use of oil. That is the sort of national effort that would bring good jobs in quantity to the next generation, leaving our children and grandchildren better prepared to live well—and in peace.

How to pay for it? Of course we must repeal George W. Bush's tax cuts on the wealthy. We should also forthrightly consider tax incentives to reward efficient energy use and to penalize waste. But for a project of national reconstruction and investment, much of the necessary funds can, and properly should be, borrowed. Policy should do what is necessary to restore jobs. Full employment, sustainable development, and national security are proper goals for policy. Deficit reduction, as such, is not. Public debt to enrich the wealthy is one thing. Debt to rebuild the country is something else again. If we have to go that route, we should do it and not look back.

Meanwhile, the right way to display fiscal discipline would be to separate capital from current expenditures in the budget, leaving the former free from any cap. Even over the long run, debt can grow as the country grows. Stabilizing the public deficit at, say, 3 percent of total income may be a reasonable midterm goal—once employment, household finances, and our trade picture have been decently restored. But getting to that point will surely require more borrowing, not less, in the meantime.

THE DEMOCRATIC BASE AND THE FINANCIERS TEND TO clash on two other key issues: Social Security and trade. The financiers speak of a looming Social Security crisis. With this language, they signal a wish to “fix” the system by reducing benefits or by raising the payroll tax.

But is there a Social Security crisis? Actually, there is not. If the future economy performs even at the average of the past, or if population growth is more rapid (as the U.S. Census Bureau now assumes), the shortfalls disappear.

But suppose they don't. Even then, it's a crisis only if you think that Social Security benefits must always and only be paid from the payroll tax. But why should this be? Such taxes already take too much from the incomes of working households. Apart from raising the earnings cap, higher taxes on a declining base of employed workers would only make their hardships worse, as well as making it more costly for businesses to provide jobs.

So should retirement benefits be cut, directly as Alan Greenspan now advocates or by the subterfuge of privatization? No. Fully two-thirds of elderly Americans rely on Social Security for most of their income. They are not a pampered class and it is not their fault that they are living for a long time.

Here is an obvious solution: If there is a Social Security funding gap, fill it by raising taxes on those who can afford to pay. The right transfer is from the wealthy (some of them elderly), not from the young. How? Restore the estate and gift tax (and perhaps raise the rate on the largest estates). Impose a new top income-tax rate for millionaires. Impose new taxes on financial transactions. Close the loopholes that permit, in particular, the use of offshore tax havens. Revenues from these sources can be credited contingently to the Social Security Trust Fund—to pay benefits if the pessimists are right and new revenues are eventually required. If not, they can go to deficit reduction.

New Social Security taxes may not be necessary. But if they are, both fairness and full-employment economics say that accumulated fortunes should be taxed before adding either to the difficulties of old age for the boomers or the tax burdens of low-wage workers.

FINALLY, THE FINANCIERS MAINTAIN AN UNBROKEN COMMITMENT to free trade—part of their enduring love affair with globalization. Here the financiers hold the high ground, because free trade is widely accepted as tantamount to virtue in economics. And outsourcing, though politically potent, is not the primary reason why we've lost more than 2 million jobs under Bush.

There are good reasons to favor open trade. But conditions have to be met for open trade to work. They aren't being met today, and we can change that.

First off, the all-purpose free-trade argument of comparative advantage just isn't very relevant to our trading world. Comparative advantage holds that increased trade raises productive efficiency in both trading partners. But this rests on differences in the technologies deployed by different countries. In modern trade in manufactured goods, technologies tend to be similar wherever found.

A cruder but more relevant argument for trade between

in cash is now had for \$11,000 on credit. But how long can it last? At some point, the price may truly be paid with a severe decline of the dollar and falling living standards in the next generation.

All of this suggests that the next administration ought to make a far more serious commitment, not only to full employment but to adjustment assistance, to progressive taxation, and to more equal wages and salaries—spreading around, in the national interest, the gains from trade.

We should also consider the strategic as well as the equitable aspects of our trading patterns. Why continue to protect such bastions of Republican power and environmental degradation as Florida citrus and sugarcane? And is it really smart to abandon steel, which we will need for national reconstruction and energy security? Why can't a national investment program buy steel from American sources while leaving private steel users free to purchase cheap steel on the world market? If we used a National Interstate and Defense Highways Act to get ourselves into this pickle, why not a National Defense Rail Act to get out?

PERHAPS MOST IMPORTANT, WE ARE GOING TO NEED A stabilizing reform of the international financial system in the years ahead—a new system that will promote our ad-

Why continue to protect such bastions of GOP power as Florida citrus and sugarcane?

And why can't a national investment program buy steel from American sources?

North and South—call it the Tom Friedman version—rests on the simple fact that goods and services from poor countries are cheaper. This is not because technologies differ but because of lower wages paid for identical labor, under similar production conditions.

Some Americans *do* benefit when we purchase software from an Indian who makes \$11,000 per year rather than from an American who gets paid five times as much. But does America benefit as a whole? The answer: It depends.

First, does the displaced American worker quickly find a new job at reasonable pay? If so, the loss (of income) is mainly personal. But if the jobs *aren't* there, the loss is also social—the waste of talent and independence hurts us all.

Second, can we accept the redistributive effect? Part of what one American loses to trade or outsourcing (his or her job and the pay it generated) is usually gained by another American—either the multinational who profits from selling at a lower cost or the consumer who gets a lower price. If the gain goes to profit, as it often does, growing trade raises inequality. If we don't like that, let's have rigorously progressive taxation (and, yes, redistribution) of those gains. This should be a price of trade—and free traders should support it, much more than they do.

Third, the pro-trade, pro-outsourcing case assumes that there is no macro-financial risk. If exports always rose by the exact same amount as when imports rise, there wouldn't be any risk. But increased imports are actually paid for partly by adding to our permanent external debt. This is a short-term benefit. What used to cost, say, \$55,000 per year

vanced exports, and the global development process, and therefore help us to better balance our trade. It is not a change that financiers enjoy contemplating, as it will greatly erode their power. But the dollar-credit system is now more than 30 years old; it is unlikely to last another 30 years whatever we do. Our goal ought to be to manage a tolerable transition—better for us, and better for the world, than the alternative of a crack-up. We should start thinking about *how* to do it, and fairly soon.

The next Democratic administration will be—as always—a coalition of monied and working interests. But whose interests should predominate? The Clinton formula put the liberal financiers in the driver's seat. Without question, that program worked: It had real costs, but the benefits, while they lasted, were greater.

The problem is that would be dangerous—to national security, to the retirement security of working Americans, and to the very future of work in this country—to assume that the same formula will work again. In all likelihood it won't.

And it shouldn't be tried, either. It will be better economics, next time, to align policy from the beginning, mainly—though let us hope, carefully—with the interest of working Americans who form the base of the Democratic Party. ■

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American Families at Risk

BY RICHARD C. LEONE

SINCE THE GREAT DEPRESSION, THERE HAS BEEN A strong national political consensus supporting policies that help middle-class families cope with the multiple risks in our market economy. These include the risks of illness, destitution in old age, hazards from defective products, polluted natural resources, industrial accidents, corporate frauds, high unemployment, and other assaults largely beyond the individual's control. Such policies are not, by and large, targeted redistributions to the poor but protections for the broad middle class. Many government activities reflect this concern, including social investments financed by a progressive tax code and a wide array of regulatory protections, almost all the result of necessary responses to past abuses by the market. Such essential services as electricity, water, telephone, and, for that matter, private insurance of various kinds have also been secured by government investment and regulation. Without these diverse government activities, ordinary middle-class families would be extremely vulnerable. With them, America both preserves the dynamism of a market system and defends innocent individuals from avoidable economic calamities.

Today, the radicals in charge in Washington are targeting regulations that protect middle-class consumers from financial swindles, monopoly pricing, unsafe food and drugs, and environmental hazards. They are undermining social outlays that serve mostly the middle class, such as unemployment insurance, college-loan programs, Medicare, Social Security, public education, and much more. They have warped our fiscal priorities in ways that will affect the nation for decades. Shifts in the tax code further shrink the share of taxes paid by the highest-income groups and corporations and thus transfer the burden to the wages of working Americans. Because the shifts also add to the nation's debt, they lock in high taxes for future generations of middle-class workers.

The right, of course, applies labels to its "reforms" that sound very appealing: ending "death taxes" and double taxation; offering medical savings accounts, new personal investment accounts, and school vouchers; enacting tort "reform"; reducing the burden of regulation. Yet, like the tax cuts, the effect in each case is to overturn practices that, by and large, have greatly benefited Americans across the income spectrum.

America's embrace of these social protections has been

far from absolute. We tolerate more risk than our counterparts in other advanced societies and accept the very unequal—indeed, unfair—allocation of society's burdens and rewards. Even so, our mostly minimal social compact has produced a broad sense that the system "works for me."

Despite that fact that most American workers today feel an increase in personal risk, the right has been remarkably successful in convincing voters, at least as an abstraction, that social outlays tend to be wasteful, that regulation impinges on

freedom or raises costs, and that tax cuts for the wealthy energize the economy (and thus are necessary and even fair). Underpinning many of these conservative economic arguments for dilution of established public-sector roles is the moral-claim notion that families will wind up better off once they have the "opportunity" to respond, without government mucking up the works, to more purely market-derived incentives (in

other words, people thrive on more risk).

A key question in 2004 is whether most citizens will accept the idea that the solution to our problems is to expose American families to more risk. It certainly seems a curious priority in the current environment, in which personal risk is exploding and security evaporating. Will voters embrace the theory or respond to the evidence in their own lives that most middle-class households have lots of market "incentives" already? Will they find the prospect of greater risk a cause for concern, rather than a gift from the right?

HERE ARE A FEW EXAMPLES OF PRACTICAL APPLICATION of these theories, which middle-class citizens might reflect upon:

Budget Priorities. The president's proposed budget would cut bedrock programs that benefit the middle class. By fiscal year 2009, funding levels for these programs adjusted for inflation would be reduced by 12 percent compared with current law. Those reductions include: discretionary health programs, including support for the National Institutes of Health, the Centers for Disease Control and Prevention, and the Food and Drug Administration cut by 11 percent or \$5.6 billion; education, training, and employment programs cut by 7.3 percent or \$6.2 billion; environmental protection and natural-resource management cut by 20 percent or \$6.8 billion; veterans' medical benefits and other services cut by 17 percent or \$5.7 billion.

A PROSPECT SPECIAL REPORT

Ronald Reagan's domestic program was properly understood as a war on the poor. But as this package of articles shows, George W. Bush's is more like a war on the middle class.

Jobs and Earnings. Over the past three years, with almost 3 million jobs lost, the main “remedy” offered by the administration has been to cut taxes on corporations and wealthy individuals. Wage increases have fallen below the rate of inflation, and little tax relief has trickled down to average workers. The administration has resisted policies that might have stimulated middle-class employment directly, such as public investment, energy independence, or aid to state and local governments. And, despite policies that have resulted in the sharp decline of the dollar (which may push up interest rates in the future and is increasing gasoline and heating oil prices now), manufacturing and exports have not been stimulated at anything like the rate needed to make up for losses during the 2001 recession.

Savings and Debt. Household debt levels among the middle class have risen to unprecedented levels (more than 80 percent of the gross domestic product, compared with 50 percent in 1980), while savings rates are at their all-time nadir. Yet bankruptcy protections have been curtailed, credit-card companies remain free to charge usurious rates while pursuing unscrupulous marketing practices, and government savings incentives remain targeted primarily at the wealth-

of the potential tax base will only intensify. Indeed, there is ample support among many conservative leaders for an outright repeal of the progressive income tax.

Health Coverage. Health security is headed in the wrong direction: More Americans lack health insurance now than since the advent of Medicare and Medicaid. Almost one-fifth of households earning between \$25,000 and \$50,000 a year are uninsured. Insurance costs for private employers continue to grow at job-killing rates.

American Dreams. For middle-class families, the costs of rearing and educating children—from preschool through college—are consuming a much larger share of their incomes than in the past. Nearly two-thirds of America’s 3- and 4-year-olds attend preschool, which can cost well over \$5,000 a year, compared with just 5 percent in the mid-1960s. Families with college-age children confront tuitions that have soared far beyond the inflation rate. Yet the administration has demonstrated no interest in easing the growing burdens on families with children.

Evidence is mounting that realizing the American dream has become an increasingly rare experience. Studies show very strong correlations between the earnings levels of fa-

If this is indeed an era in which individuals need to upgrade skills many times during their lives, we should be providing more social cushions against risk, not fewer.

iest families, despite overwhelming evidence that such incentives simply cut taxes on money that the relatively well-off would have set aside anyway.

Retirement Security. Pension coverage has shifted risk to workers. Once prevalent defined-benefit plans, in which companies paid their retirees based on past earnings and tenure, have largely given way to 401(k)s and other defined-contribution plans. What you end up with depends on how the market is doing when you retire and, as ex-Enron employees bemoan, how your particular company’s stock fares. The administration solution to this deterioration has been largely rhetorical, with a dangerous element of wishing away the problem of pension security by allowing companies to “assume” unrealistically higher returns for pension funds rather than face up to the need for larger contributions.

Tax Shifts. The tax burden continues to shift away from investment income, wealth, and corporate profits and onto wages. Even before the Bush tax cuts, only about 50 percent of income was subject to some sort of federal tax. If, as seems inevitable, the Bush tax cuts reduce the tax base still further, the share of total revenues to be paid by those workers in the broad middle class—those whose income is composed largely of wages—is sure to increase. The recent tax cuts, for example, do little for most middle-class families. In 2006, 88 percent of Americans will receive \$100 or less from the 2003 tax cuts, while the top 1 percent of Americans are slated to receive on average \$96,000 over the next four years. And, if the trend toward inequality that has been the main feature of U.S. income and wealth statistics for the last three decades continues, the pressures on this slice

thers and sons over time, with relatively few children moving from the middle of the income spectrum to the top. Because receiving a college degree is more essential than ever to climbing the economic ladder, the soaring financial costs of higher education threaten to further undermine the nation’s heritage as the land of opportunity.

MORE EXAMPLES APPEAR IN THE SEVEN ARTICLES that follow in this special report. Jarringly, all this is happening while the nation is experiencing other economic and social changes that ought to lead a movement in the direction not of less but of more protection against risks. In the past quarter-century, American capitalism has been deregulated in a manner that has already shifted substantial risks to working families. Breadwinners face increased risks of losing their jobs and having to settle for employment at reduced wages. The middle class is at greater risk of losing high-quality health insurance. Social Security has already been cut, relative to lifetime wages, and pension risks have already been substantially shifted to workers.

It is important to distinguish between risks that are incurred voluntarily and those beyond the control of a prudent individual. The former includes the risk of starting a business, or investing in a stock, or mountain biking down Fifth Avenue. If something unfortunate happens, well, too bad—that sort of risk was optional. The latter, involuntary risks include the risk that your corporate employer will outsource your job, or that your fish dinner will contain toxic mercury, or that your health plan will deny your doctor the right to provide necessary treat-

ment, or that your company pension will collapse. It is the latter sort of risk that has dramatically increased in recent years.

This shift did not happen because of inevitable technological changes. It was a deliberate political choice, reflecting the political dominance of believers in laissez-faire. Some economists believe that a market economy works better when free of all social constraints. This view is debatable. But if this is indeed an era in which individuals need to change jobs and upgrade skills many times during the course of working life, and mothers as well as fathers are in the paid labor force, we should be providing more social cushions against risk beyond the individual's control, not fewer.

We should also be bolstering protections and opportunities for working families, offering tax subsidies for preschool costs and public pre-kindergarten programs, replenishing student aid, and adding incentives to increase the personal savings of middle-class families. We should deliver on the perennial promise to provide universal health insurance. We should raise our sights when it comes to trade-adjustment and job-dislocation programs, providing realistic levels of support for displaced workers and enacting increased coverage for unemployment insurance.

Not surprisingly, polls suggest that the general public has a growing sense of unease about what is going on. But while there is increased political discourse about the effects of trade and globalization, there is still little focus on the necessary revisions of domestic policies and programs. The lack of attention is partly the result of the collapse of a previously strong bipartisan consensus on these issues. If the division occurs roughly along party lines, the press portrays it as mere partisan bickering or as rhetorical posturing, rather than as matters affecting the livelihood and well-being of tens of millions of American families.

What is at stake could be clarified by the heightened attention during an election-year debate and by more thoughtful press coverage of issues. Unfortunately, most reporting so far seems to be based on the notion that, because the extreme right has taken over the Republican Party, the "opposition" must have undergone a similar polarization—with the center-left having been co-opted by extreme advocates of the poor or populists. Few political characterizations could be further from the truth. Most Democrats and the handful of remaining GOP moderates in office represent nothing more radical than the traditional mainstream American view on these issues.

Whatever one predicts for this year's political contests, the current situation is delicately balanced, depending on the persistence of a set of paradoxical beliefs among many citizens. To wit: While many working people recognize that Democrats and moderate Republicans align closer to them

on their economic interests, they often simultaneously embrace the belief that conservatives are closest to them in terms of their "values." Perhaps this confusion is the result of misunderstanding self-interest; perhaps it is that other concerns trump economic considerations. Whatever the reason, if the real story of what is happening to middle-class values is become widely understood, most Americans will insist on a change of course.

Looking back to 2000, many voters apparently thought that there was not much difference between the two major candidates, especially on the issues of greatest importance to the middle class. Al Gore had been leading the effort to shrink the federal government and had been part of an administration that "reformed welfare" in a way that was congenial to



Where the Troubles All Began: President Bush signs the first tax cut, June 2001

moderates and conservatives, while George W. Bush, son and grandson of "moderate" Republicans, talked often of "family values" and offered the reassurance of a "compassionate" version of conservatism. Given any reasonable public understanding of the actual conservative agenda, it may be hard to make that mistake again.

Therefore, while communicating the current risk to middle-class values may not be easy, it is centrally important. Powerful forces are arrayed on the side of the new conservatives, and much confusion exists about the effect of their program on "family values." That confusion will clear and a decisive change in direction will occur when enough people come to understand that the things they hold dear—indeed, the expectations that they have about life for working families in America—are at risk today. ■

RICHARD C. LEONE is the president of The Century Foundation and co-editor of *Beyond the Basics: Social Security Reform*. This American Prospect special report examines the multiple fronts in the war on the middle class. It was edited by Robert Kuttner and Richard C. Leone.

Middle Class and Broke

Once, the larger society shared the cost of raising and educating the next generation. These days, the responsibilities are falling more to individual families. It's bringing parents to their knees.

BY ELIZABETH WARREN AND AMELIA WARREN TYAGI

FAMILIES WITH CHILDREN ARE UNDER ASSAULT. The assault is quiet, attracting few headlines, no congressional investigations, no knowing conversations at the office or at parties. The assault is stealthy, but the effects are profound.

This year, more families with children will file for bankruptcy than divorce. Motherhood is now the single best predictor that a woman will end up in financial collapse. And, contrary to every popular assumption, the parents who find themselves in the bankruptcy courts are not chronically poor. Rather, when measured by criteria such as occupation, college education, and homeownership, more than 90 percent of the families at the end of their financial ropes are solidly middle class.

The lines at the bankruptcy courts are not the only signs of growing middle-class distress. A family with children is now 75 percent more likely to be late on credit-card payments than a family with no children. Home foreclosures have more than tripled in less than 25 years, and families with children are more likely than anyone to lose the roofs over their heads. Economists estimate that for every family officially declaring bankruptcy this year, seven more have debt loads suggesting they should file for bankruptcy—if only they were more savvy about financial matters.

Why are families with children under such powerful, disproportionate, and growing economic strain? The costs of educating children—once borne by taxpayers generally—are increasingly the responsibility of individuals. The costs are bringing parents to their knees.

Talk with any middle-class parent in a metropolitan area and he or she will describe the time, money, and effort devoted to finding a decent school for his or her children. In some cases, the story will be about mastering the system. ("We put Joshua on the wait list for the science-magnet school the day he was born.") In other cases, they're leaving the public-school system, opting for private, parochial, or home schooling. ("My husband and I both went to public schools, but we just couldn't see sending Erin to the [local] junior high.") But private schools and maneuvering go only so far. For most middle-class parents, ensuring that their children get a decent education translates into one thing: buying a home in the shrinking number of districts that have high-quality schools.

Homes can command a premium for all sorts of amenities, such as two-car garages, proximity to work or shopping, or low crime rates. Yet a study in Fresno (a mid-sized California

metropolis with 400,000 residents) found that, for similar homes, school quality was the *single* most important determinant of prices—more important than racial composition of the neighborhood, commute distance, crime rate, or even proximity to a hazardous-waste site. A study in suburban Boston confirmed the impact of school boundaries. Two homes less than half a mile apart, and similar in nearly every aspect, will command significantly different prices if they are in different elementary-school zones. In other areas, schools that scored just 5 percentage points higher on fourth-grade math and reading tests added a premium of nearly \$4,000 to the purchase price of nearby homes; the homes were virtually the same in terms of neighborhood, school spending, racial composition, tax burden, and crime rate.

Consider University City, the west Philadelphia neighborhood surrounding the University of Pennsylvania. In an effort to improve the area, the university committed funds for a new elementary school. Before the announcement, the median home value in the area was less than \$60,000. When the school opened five years later, *The Philadelphia Inquirer* reported, "Homes within the boundaries go for about \$200,000, even if they need to be totally renovated." The neighborhood is otherwise the same; the commute to work, the distance from the freeways, and the houses haven't changed. Real-estate agents have long said that the three things that matter in determining price are "location, location, location." Today, it may be "schools, schools, schools."

This phenomenon isn't new, but the pressure has intensified. In the early 1970s, not only did most Americans believe that public schools were functioning reasonably well, polling data showed that a sizable majority of adults thought that public education had actually improved. Today, the majority now believes that schools have gotten significantly worse. Fully half of all Americans are dissatisfied with America's public-education system, a deep concern shared by parents regardless of race.

And so a bidding war has emerged, as millions of parents have entered the race to snatch up a home in a good school district. Since the early 1970s, the amount families spend for the average mortgage has increased by 69 percent (adjusted for inflation). By comparison, the average man's income nosed up by less than 1 percentage point during this same period. These median-earning families didn't get McMansions; for these families, housing size increased from an average of 5.7 rooms in 1975 to just 6.1 rooms in the late 1990s. What they got for their money was a ticket

to send their children to the new private-public commodity: a viable public school.

As if the public-school chase weren't enough, pressure on parents has intensified as the requirements for a middle-class education have taken a sudden leap. The education race begins with 3-year-olds. Over the past generation, preschool has been transformed from an optional stopover for little kids to an absolute prerequisite for elementary school. Parents have been barraged with articles telling them that early education is important for everything from "prereading" skills to social development. As one expert in early-childhood education observes, "In many communities around the country, kindergarten is no longer aimed at the entry level." And the only way most parents feel they can get their child prepared is through a pre-kindergarten program.

Today, nearly two-thirds of America's 3- and 4-year-olds attend preschool, compared with just 4 percent in the mid-1960s. This isn't just the byproduct of more mothers entering the workforce; nearly half of all stay-at-home moms now send their kids to a pre-kindergarten program. As *Newsweek* put it, "The science says it all: preschool programs are neither a luxury nor a fad, but a real necessity."

Who pays for this nationwide expansion of a child's basic education? Parents pay. A full-day program in a pre-kindergarten offered by the Chicago public-school district costs \$6,500 a year—more than the cost of a year's tuition at the University of Illinois. High? Yes, but that hasn't deterred parents: At one Chicago public school, there are 95 families on a waiting list for 20 slots. That situation is fairly typical. According to one study, the annual cost for a 4-year-old to attend a full-time preschool program in an urban area is more than *double* the price of college tuition in 15 states.

As the cost of educating children before they enter public schools has risen, so has the cost of educating children after they graduate high school. Once again, the change over the past three decades is stunning. A generation or so ago, polling data showed that Americans were likely to believe that there were many avenues for young people to make their way into the middle class, including paths that didn't require college diplomas. Today, however, Americans are *twice* as likely to believe that the moon landing was faked than they are to believe that a college degree doesn't matter. In a diverse culture full of contrarians who relish their differences with one another, faith in the power of higher

education is the new secular religion. Americans now report that a college degree is the single most important determinant of a young person's chances of success—even more significant than getting along well with others or having a good work ethic.

So what have parents done? They have paid and paid some more. After adjusting for inflation, in-state tuition and fees at the average state university have nearly doubled in less than 25 years. To put that in perspective, the price of college has grown twice as fast as the average professor's salary, three times faster than the cost of food, and eight times faster than the cost of electricity. To pay state-school fees, the average

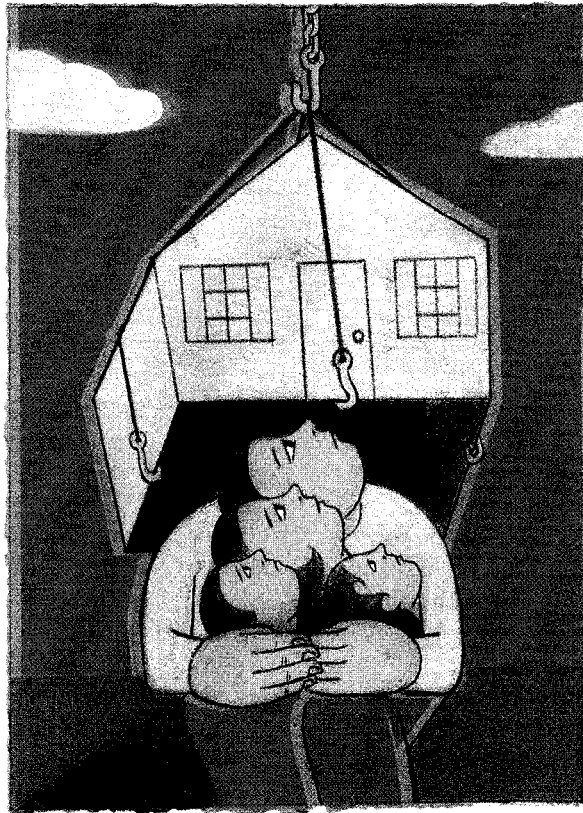
family would have to commit 17 percent of its total pretax income to this expense. For parents whose children can't get into state universities, the private alternatives are even more prohibitive. Middle-class parents routinely speak of college educations that cost more than \$100,000—much of it funded by second mortgages, education loans, and credit cards.

Add it up: The definition of a basic education has expanded to include six additional years (and that doesn't even include graduate school). This means that the public portion of a basic education has shrunk from covering 100 percent of K-12 in the early 1970s to two-thirds of years pre-K through college in the early 2000s. Families with children are left alone to bear the additional cost of six years of education.

The U.S. educational system remains nominally public, holding forth the promise of opportunity for all children. But the reality is quite different. The public-school system is now largely public in name only, as families bankrupt themselves to buy admission to decent public schools by purchasing expensive homes and paying tuition for a third of a basic education.

Federal Reserve Chairman Alan Greenspan recently delivered a speech on "the financial health of America's households." Amid rising bankruptcies, mortgage foreclosures, and credit defaults, he concluded that families have nothing to worry about. "[T]he household sector seems to be in good shape," he said. He typifies today's relationship between the government and families with children: no acknowledgment of a problem and no help in sight. ■

ELIZABETH WARREN and AMELIA WARREN TYAGI are co-authors of *The Two-Income Trap: Why Middle Class Mothers and Fathers Are Going Broke*.



Schools of Hard Knocks

Education is the ticket of entry to the middle class. So why has Bush done so little to establish social equity and so much to impede social mobility? Chalk it up to “compassionate conservatism.”

BY RICHARD D. KAHLENBERG

THE FIGHTS OVER EDUCATION—SCHOOL VOUCHERS, the No Child Left Behind Act, affirmative action, and access to higher education—resonate deeply with people because they are literally fights over the American dream. Americans used to be able to move up economically with a high-school degree and a blue-collar, unionized job, and their kids could enjoy decent public schools. Now, however, those who have little education are also likely to have little income, forcing them to live in neighborhoods where their children attend inferior schools.

Moreover, with skyrocketing college tuitions and federal financial-aid policies tilted toward education tax breaks for more affluent families, even academically prepared low-income and working-class students are having a hard time pursuing a college degree. For all his talk about “compassionate conservatism,” George W. Bush has shortchanged working families and their children. Yet clearly these children need a good education—now more than ever.

The economic rewards of a good education are enormous. According to 2001 U.S. census data, the mean annual earnings of workers 18 and older increased lockstep with education. Those without a high-school degree earned about \$19,000. High-school graduates earned roughly \$27,000, while those with a bachelor's degree earned \$51,000. For Americans with advanced degrees, mean earnings were \$73,000. A 2002 census report estimated that work-life earnings were \$1 million for those without a high-school degree, \$1.2 million for high-school graduates, \$2.1 million for those with a bachelor's, and \$4.4 million for people with professional degrees.

While more students are going to college than ever before, the gaps between affluent and low-income students remain as they've been for a generation. Meanwhile, recent research suggests social-mobility rates are lower than previously estimated. A study by American University's Thomas Hertz finds that only 7 percent of those born into the bottom economic fifth make it to the top fifth as adults, while about 40 percent stay in the lowest fifth like their parents.

What has the Bush administration done to make K-12 and higher education an engine for social mobility? As much as one might expect from the people whose social-mobility platform includes items such as a repeal of the estate tax.

For K-12, Bush has pushed two initiatives: No Child Left Behind (NCLB) and school vouchers. NCLB, passed in 2001, was supposed to be a central plank in Bush's compassionate-conservative agenda. The act has been wrongly attacked in recent months as an intrusion on states' rights, but critics

are correct to note that Bush hasn't held up his end of the bargain on funding. In his new budget request, the appropriations are a staggering \$9.4 billion less than the level authorized. This shortfall comes at a time when local education districts are facing their own fiscal crunches.

But the overlooked flaw at the center of NCLB is that it does little to address the key source of inequality in public schools: the separation of rich and poor. The crucial ingredients for a good education—high-quality teachers, adequate funding, a safe and disciplined environment, high standards, active parental involvement, motivated peers—correlate directly with the socioeconomic status of the students. But NCLB, like most public-education reform, is an exercise in trying to make the notion of “separate but equal” work.

Clearly, concentrations of poverty can overwhelm even good education reforms. As a result, some districts have wisely chosen to adopt policies that address economic school segregation. For example, Raleigh, North Carolina, and its suburbs have a policy that no school should have more than 40 percent of students eligible for free or reduced-price lunch. Research shows that all students—low-income and more affluent—do better in middle-class schools, and in the Raleigh area, about 90 percent of students read at or above grade level. The federal government could play a role in encouraging districts to pursue such policies, providing support to local officials making tough choices. But NCLB is essentially silent on the issue.

Bush's other initiative is private-school vouchers. Earlier this year, the president signed legislation establishing the first federal private-school voucher program in history—a plan to provide at least 1,700 low-income students in Washington, D.C., a chance to attend private and religious schools with taxpayer money. Conservatives like to talk about social equity: It's unfair to trap poor African American children in bad schools, they say. But evidence suggests that, ultimately, conservatives are aiming for public support of all private-school students. In Milwaukee, for example, voucher supporters tipped their hand when they proposed eliminating the means test for voucher recipients. In any event, the evidence on the supposed academic benefits of vouchers is thin.

Moreover, the administration's desire to allow poor children to flee failing schools doesn't extend to certain school-choice and housing programs that might indeed increase social mobility. Section 8 housing vouchers, which help low-income and working-class families move to neighborhoods with good public schools, are under attack by the administration. As Bruce Katz of the Brookings Institution notes,

Bush has proposed making housing vouchers part of a block-grant program, “a screen for what he really wants: cutting the voucher budget in the future.” And an Education Department deputy undersecretary, Nina Rees, recently said she opposes giving poor children trapped in failing D.C. schools the chance to attend nearby suburban public schools, preferring to keep urban students in private schools located in low-income communities. While members of the Bush administration like to cite *Brown v. Board of Education* as an inspiration for NCLB and school vouchers, they are unenthusiastic about the programs that have a chance of fulfilling the promise of *Brown*.

Bush has been quiet on higher-education policy. In a year when the federal Higher Education Act is due to expire and rising college costs have been front-page news stories, the Bush administration has been slow to send a reauthorization proposal to Congress. Brian Fitzgerald of the Advisory Committee on Student Financial Assistance, notes that Bush’s higher-education policy has been “marked by an absence of major initiatives.”

Why? Because Bush’s tax cuts leave him little room to be creative. The cornerstone of federal-aid policies for low-income and working-class families, the Pell Grant, has seen funding increases under Bush. But those increases have failed to keep up with tuition costs. Moreover, last year, the administration proposed a new funding formula for Pell Grants that could have pushed 85,000 students out of the program and reduced the grant for hundreds of thousands—but was blocked by Congress.

As part of Bush’s 2001 tax cut, income limits were raised on tax deductions for higher-education expenses to include families earning up to \$160,000. Meanwhile, under the president’s new proposed budget, spending on the federal Trio and GEAR UP programs, aimed at improving academic preparation for disadvantaged students, see no increase in funding. Conservatives say there isn’t enough money to raise spending on such programs, but, in fact, one could double spending on both Pell Grants (\$12 billion) and the Trio and GEAR UP programs (\$1 billion) for less than the cost of the dividends and capital-gains portion of Bush’s tax cut.

The Bush administration’s prime intervention into higher-education policy has been its decision to oppose the University of Michigan’s affirmative-action programs that were contested in the U.S. Supreme Court. Affirmative action is about racial diversity and is not a particularly efficient engine for social mobility; according to William Bowen and Derek Bok, two defenders of the program who studied en-

rollment at elite universities, 86 percent of blacks at these institutions are middle class or upper middle class.

According to *Newsweek* and *Los Angeles Times* polls in 2003, the public *opposed* preferences for racial minorities by 2-1. Yet the same Americans *avored* a social-mobility policy of preferences for economically disadvantaged students, regardless of race, by the same margin. A Bush Education Department report showed some wonkish interest in economic affirmative action. But the administration’s legal brief, and the president himself, instead emphasized a program to provide automatic admissions to students in the top percentage of their high schools. It was easily dismissed by the Supreme Court as in-

applicable to graduate schools because high-school students don’t seek admissions to graduate schools. In any event, percentage plans do little to help promote social mobility because they disproportionately benefit the most economically advantaged students within low-income schools. Worse, these plans look like a cynical attempt to boost minority representation in the freshman class rather than an effort to provide opportunity to those students of color who are most likely to succeed.

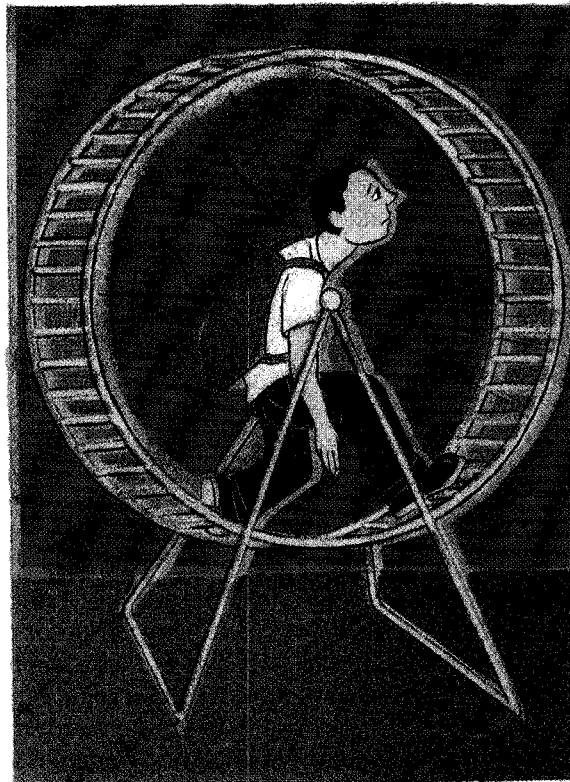
Recently, the president of Texas A&M moved to eliminate legacy preferences in order to be consistent with his opposition to racial and ethnic preferences. And North Carolina Senator John Edwards rightly attacked legacy preferences as “a birthright out of the 18th-century British aristocracy.” Yet

Bush has said nothing about the admissions policies that give preference to children of alumni.

Meanwhile, conservatives have a new line of attack in defending their reluctance to provide grants to working-class and low-income students. The Manhattan Institute has argued that lack of financial aid doesn’t deter low income students; it’s lack of academic preparation. But studies that control for academic achievement find, as education consultant Larry Gladieux notes, the “dumbest rich kids have as much chance of going to college as the smartest poor kids.”

This shouldn’t be acceptable. But addressing the issue would require taking on influential parents of dumb rich kids—something we can hardly expect from the current administration. ■

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Don't Mourn, Mobilize

Middle-class voters grasp that Bush is not representing their interests. But they don't act on that perception. They might—but it's up to Democrats to motivate them.

BY RUY TEIXEIRA

IT'S GETTING HARDER AND HARDER TO BE MIDDLE class. As a result of the Bush administration's relentless tax-cutting agenda—designed to limit the ability of government to deliver services—the lives of middle-class Americans are becoming more difficult and less secure, in areas from health care to pensions to public schools. But, in the immortal words of Bob Dole, "Where's the outrage?" Why have these attacks not provoked a greater political reaction? And what chance is there for a progressive middle-class response to these attacks in the future?

This lack of outrage seems particularly odd because the middle class is *aware* of the attacks upon it. People in general, and the middle class in particular, believe that Bush-administration policies have favored the interests of large corporations and the rich over those of ordinary people and the middle class. An early January CBS News poll found that, by huge margins, the public thought that Bush administration policies favor the rich (57 percent) rather than the middle class (11 percent), the poor (1 percent), or all groups the same (25 percent). By a nearly 2-to-1 margin (58 percent to 30 percent), the public said that George W. Bush is more interested in protecting the interests of large corporations than those of ordinary Americans. And by almost 3 to 1 (64 percent to 23 percent), the public thought big business has too much influence, rather than the right amount, on the Bush administration.

Research repeatedly shows that middle-class views track those of the general public very closely, both because of the middle class' large size and its political positioning (between the poor and the rich). But we don't have to merely assume that the middle class shares these jaundiced views of the Bush administration's policy bias. Where available, data for middle-class subgroups within surveys confirm this. In an April 2003 ABC News/*Washington Post* poll, 57 percent overall said that Bush's proposals on cutting taxes favored the rich, while 11 percent said that they favored the middle class. These figures are almost exactly the average of the two income breaks that best capture the middle class (\$30,000 to \$50,000 and \$50,000 to \$75,000). In the same poll, 61 percent thought that large business corporations had too much influence on the Bush administration, compared with just 8 percent who thought that they had too little—again, almost exactly the average of the two middle-class income brackets. And in a March 2004 ABC News/*Washington Post* poll, 67 percent overall thought that Bush cared more about protecting the interests of large business corporations, compared with 26 percent who thought that he cared more about protecting

the interests of ordinary working people—almost exactly the result for the middling education category of "some college."

Is it possible, though, that the middle class recognizes that the Bush plan doesn't serve it well but still believes, on balance, that the policy's relative priorities are the right ones? That is most emphatically not the case, either. The middle class consistently and overwhelmingly rejects the prioritizing of tax cuts over social investment. In the April 2003 ABC News poll, the two middle-class income brackets averaged 70-percent support for spending more on domestic programs—like education, health care, and Social Security—and 28-percent support for cutting taxes. These respondents also said, by 64 percent to 27 percent, that cutting taxes is more important to Bush than providing services, while, by 68 percent to 30 percent, they said that providing services is more important for them personally than cutting taxes. Indeed, no matter how the general trade-off between tax cuts and social investment is framed, middle-class priorities seem consistently skewed toward investment and away from tax cuts.

THESE FINDINGS RAISE TROUBLING QUESTIONS. HOW did the Bush 2001 and 2003 tax cuts pass with so little middle-class support? Why did the Bush administration believe it could get away with flouting middle-class priorities so ostentatiously? And why has there not been—at least as yet—a middle-class backlash? In some ways, the middle class seems like Calvin in the comic strip *Calvin and Hobbes*, where the boy's mother asks him, after a particularly egregious act of household mayhem, "Don't you have any common sense?" Calvin replies, "I have plenty of common sense, I just choose not to use it."

When it comes to the middle class, how can it be that it has plenty of common sense about where its interests lie but chooses not to use it? The beginnings of an answer are provided in an important forthcoming book, *Off Center: George W. Bush, Tax Cuts, and the Erosion of Democracy*, by political scientists Jacob Hacker and Paul Pierson. Noting that the 2001 tax cut was "radically at odds with clear, firm, and considered public opinion," Hacker and Pierson ask how it passed against the views of the "median voter"—which can usefully be thought of here as the average member of the middle class—and with little apparent fear of political retribution.

Their answer is that the political environment in the United States has changed in two basic ways. The first is that politicians in this money-driven era are motivated to reward their base, including partisans, activist groups, and the

wealthy. That's a good way to avoid primary challenges, which tend to come from the base and are the chief re-election danger for many incumbents. Pleasing the base also means that incumbents will receive high levels of financial and interest-group support, ensuring their ability to beat back general-election challenges. In this formula, the preferences of average middle-class voters get short shrift.

The second change in the political environment is that, more and more, politicians are able to avoid the electoral consequences of displeasing average voters. Most obviously, the number of competitive elections has declined and the ability of unions and other local, grass-roots organizations to punish incumbents has decreased. Less obviously, but just as important, legislation has become more complex and polling more sophisticated, making it easier to hide large drawbacks of new legislation from voters and highlight small benefits instead. Together these changes mean that legislators gain more and lose less from ignoring the typical middle-class voter.

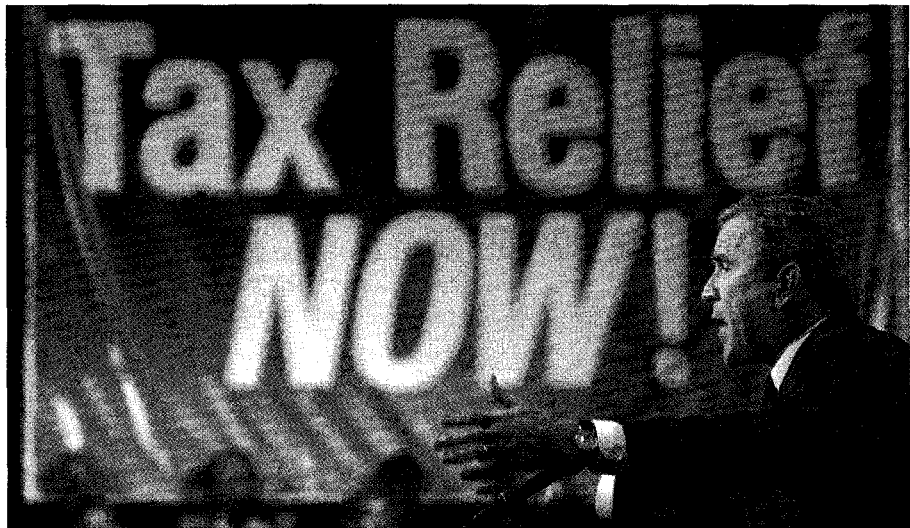
In the case of Bush's tax policies, the cuts were at odds with the preferences of the middle class but very consistent with the preferences of the GOP base, especially its very wealthy base of political donors. For Republican incumbents who wanted to stay incumbents, that was a powerful incentive to stiff the middle class and to support the cuts. At the same time, the GOP was able to evade middle-class anger by systematically misrepresenting the cuts' middle-class benefits, understating their impact on budgetary balance, hiding their effects on budget priorities, and minimizing their total cost through phase-ins, sunsets, time bombs, and other accounting sleights of hand. As a result, the middle class never really understood how seriously these tax cuts went against its preferences, vigorous middle-class opposition never emerged, and the cuts could scrape through Congress with party-line support.

SO, HOW CAN THE MIDDLE CLASS BE MOTIVATED TO ACT on its interests? That's the key question for Democrats, and they should look to the tax-cut disaster for answers. The first lesson is that the middle class, in the face of its own interests being contravened, will not activate itself. That may have worked in the past, but today the middle class must be activated through conscious political mobilization.

The second lesson is that Democrats must relentlessly counterattack when Republicans misrepresent Democrats' policies and try to hide their negative aspects. It is now clear that the GOP shows no respect for the historic limits on such misrepresentation. Democrats have to work just as hard to clarify the issues. That means, for example, making the trade-offs between tax cuts and social spending come alive for middle-class voters. Though they tried, Democrats failed to focus middle-

class voters on a *concrete* choice between tax cuts and a specific social program or goal. The problem wasn't that Democrats failed to mention the idea that the tax cuts might affect other budgetary priorities; it was that they mentioned too many. Some dwelled on the cuts' impact on the deficit. Others focused on education, health-care programs (especially a possible Medicare prescription-drugs benefit), or homeland security. But there was no unified voice focusing over and over on how passage of the tax cuts would preclude one specific goal or hurt one specific program that middle-class voters believe in.

Bill Clinton and the Democrats did this successfully in 1998, when they insisted on "saving Social Security first." Even if some aspects of this strategy were flawed—the emphasis on the "lockbox" for the Social Security trust fund, for example, and the eventual obsession with debt-reduction—



George One-Note: The public is wary of tax cuts, but Democrats have to present an alternative.

there is no doubt the Democrats' unified focus on a popular program gave middle-class voters a clear choice: tax cuts or saving Social Security. And that worked politically.

They need to do that again. When opposing Republican tax cuts, Democrats will naturally and justifiably mention a range of social investments that these cuts will preclude. But to rally middle-class opposition to the cuts, Democrats need to rally around one alternative priority that gets top billing. That could be "funding health care first" or "defending the homeland first" or "putting good schools first." The important thing is for that alternative to be simple, clear, and popular. If what the middle class hears instead is a diffuse list of spending alternatives, it will allow the GOP to focus attention on the (shamelessly exaggerated) middle-class benefits of its proposed tax cuts. And we already know how that one comes out.

Such strategic unity is a difficult task. But it is a prerequisite to activating middle-class self-interest and, therefore, a necessity, not an option. Democrats, it's time to get to work. ■

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Losing Ground

Outsourcing jobs, harassing labor unions, repealing safety regulations, undercutting benefits: The Bush administration is clearly winning a great victory in its war on America's workers.

BY JEFF FAUX

DURING THE 2000 PRESIDENTIAL TV DEBATES, George W. Bush relentlessly repeated the tired Republican mantra that government, especially the federal government, is the enemy of American workers. As president, he's turned that rhetoric into reality.

Actually, Bush is as much a big-government guy as was Lyndon Johnson or FDR. But in his case, Bush has used federal power to undercut workers' bargaining power, dumping workers out of the middle class and kicking the ladder away from those trying to get in. Jobs in factories and services that pay good wages and offer decent benefits are disappearing. As a result, the overwhelming majority of Americans—those who must work to put food on their tables and roofs over their heads—are more financially insecure and have seen their living standards erode. In 1980, Ronald Reagan famously asked the American people, "Are you better off now than you were four years ago?" When John Kerry poses that question later this year, the answer, by virtually every measure, will be "no."

Jobs and Unemployment. Three years after George W. Bush was inaugurated, the U.S. economy had lost a net 2 million jobs—the worst job record of any recovery since the Great Depression. Laid-off workers are now unemployed for an average of five months; when they're finally hired, they go to firms paying 20 percent less. The jobless rate released in February was 5.6 percent. But, in fact, the labor market is much weaker than that. For one thing, most of the jobs that have been created have been temporary. What's more, reacting to the bleak labor market, large numbers of discouraged job seekers have simply dropped out of the workforce. The Economic Policy Institute calculates that if these missing workers were taken into account, the unemployment rate this February would have been 7.4 percent.

Bush could have responded by providing funds to cash-strapped states for investment in education, health, and infrastructure, which would have in turn created jobs. Instead, he used the economic downturn to rationalize permanent tax cuts that will transfer more after-tax income from the working middle class to the rich. At this point, even the most gullible of voters can see that the Bush tax cuts were not aimed at creating jobs, so it's no surprise that the cuts haven't.

Inevitably, the administration has been forced to downsize its claims that it's reviving the job market. In 2002, Bush predicted that America would have 138.3 million jobs by 2004. The next year, the 2004 forecast was 135.2 million jobs. Now it's 132.7 million. But to reach even that figure, job

growth would have to average 460,000 jobs each month for the rest of the year, which is highly improbable (jobs grew in February by 21,000).

As a result of the weak job market, almost one-fourth of America's jobless have been out of work for more than six months—the highest level of long-term unemployment in 20 years. The maximum length of time for which someone can collect regular unemployment benefits, which average \$265 per week, is normally six months. When unemployment is high, eligibility is typically extended for another 13 weeks. But just before Christmas 2003, Bush and the Republican Congress cut off the extended benefits. So far, more than 1.1 million workers and their families—most of whom live paycheck to paycheck—have lost this modest but crucial lifeline.

Wages. For those Americans with jobs, 2003 was the worst year for wage growth since 1996. It was especially true for those who make up the male working-class core of the "Reagan Democrats": Real weekly earnings for full-time, male workers over 25 fell for all but the top 10 percent of wage earners.

As a result, working longer hours is the only way many can cling to a middle-class income. Yet the administration is busy revising the regulations under the Fair Labor Standards Act in a way that would make roughly 8 million workers ineligible for overtime pay. The affected employees could be required to work overtime for nothing, furthering the "Wal-Martization" of the labor force. (It's no accident that low-wage Wal-Mart is now one of the two largest corporate contributors to political campaigns, with 84 percent of its donations going to Republicans.) And while the real minimum wage is now 25 percent below its 1979 value, the administration has blocked every effort to raise it.

As wages are squeezed, Bush has systematically shredded the already tattered social safety net. Housing subsidies have been cut, Pell Grants for low-income college students have been slashed, and the No Child Left Behind education initiative has been shortchanged. Bush's refusal to help recession-racked state and local governments, which by law may not run deficits the way the federal government can, has meant the closing off of health-care, job-training, and child-care services for low-income workers.

Outsourcing and Worker Training. It is now clear that the accelerated shifting overseas of technical and white-collar jobs undercuts upward mobility for workers in America. Politicians, pundits, and even some economists are now having second thoughts about free-trade agreements that protect the rights of investors but not the rights

of labor. Unfortunately, the Bush administration has no such second thoughts.

Just before Bill Clinton left office, his administration negotiated a trade and investment deal with Jordan that contained a modest provision to enforce the labor protections already on each country's books. When Bush took over, his team told Jordan that it did not have to abide by that part of the agreement. The White House also signed new trade deals with Chile and Singapore that had zero protections for workers. And its proposal for the Free Trade Area of the Americas lacks even the weak "side agreements" on worker and environmental protections that are in the North American Free Trade Agreement (NAFTA). Indeed, as Gregory Mankiw, Bush's chief economist, blurted out in February, the administration still believes that outsourcing for cheaper labor is "a good thing."

The solution? Conservatives claim that American workers only need to improve their skills to compete for better jobs. But the administration has cut almost \$1 billion in real terms from the federal government's worker-training programs. Last year a number of states ran out of money for retraining workers dislocated by international trade. This year's federal budget will cut such programs by 4 percent in real terms. Bush has also sought to eliminate the H1B training program that uses fees from businesses that import high-tech workers to train Americans in those skills.

Guest workers. Disguised as a migration agreement, Bush has proposed that businesses be allowed to import Mexican workers. The workers would have no rights, no protections, and no mobility. If the boss doesn't like a worker—for complaining about bad working conditions, for example, or for any reason, really—it's back to Mexico. Bush's proposal is widely recognized on both sides of the border as a way to undermine wages and working conditions in the United States.

Collective bargaining. One-third of American workers say they would join a union if they had a chance, and over half support collective bargaining. Yet only 13 percent are union members because existing laws make it difficult. Bush, meanwhile, is trying to make it impossible. His administration has used federal power to harass labor unions by imposing onerous reporting requirements on them, far beyond what is required of employers. These rules have prohibited government project managers from making agreements with unions to ensure uninterrupted work flows. The Bush administration was even willing to veto its own Department of Homeland Security unless Congress gave it the right to bar collective bargaining from the agency.

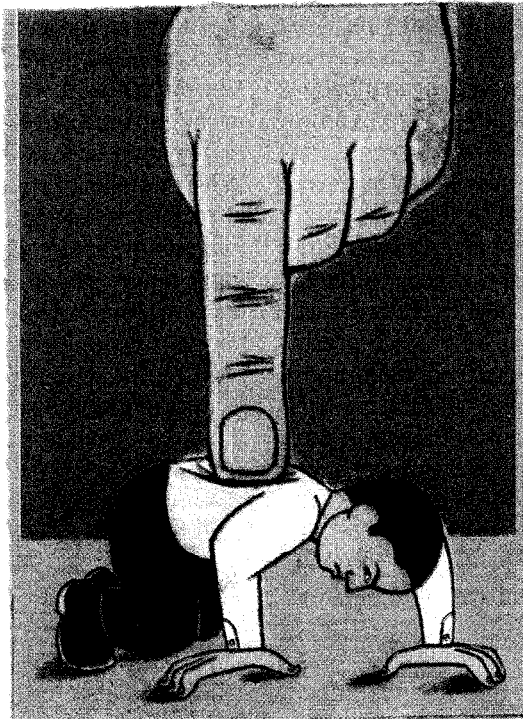
Health and safety. The most extensive job-safety problem in America comes from injuries caused by heavy lifting and repetitive work. Shortly after taking over the White House, Bush repealed the government's ergonomics standards that had been developed over 10 years of negotiation between businesses, labor unions, and government agencies. The Department of Labor's chief lawyer, Eugene Scalia, son of the conservative Supreme Court justice, calls ergonomics "quackery."

Dozens of other decisions—from refusing to compel employers to pay for their workers' safety equipment to rescinding standards for testing employees exposed to tuberculosis—have weakened health and safety regulations. In one landmark case involving workers who were knowingly exposed to asbestos poisoning, the administration changed the formula used to assess penalties, substantially reducing the cost to irresponsible employers. Additionally, despite a 2002 report by government experts that chemical explosions were a serious danger in many workplaces, Bush's Occupational Safety and Health Administration (OSHA) stopped work on new safety standards, announcing in 2003 that it will rely on industry to voluntarily regulate itself. The administration's proposed budget for fiscal year 2005 cuts OSHA programs that train workers in health and safety by 65 percent.

The list of ways in which this administration has used government to strengthen its business allies' leverage over the average American worker goes on and on: undercutting efforts to protect pensions; privatizing government services to low-wage, no-benefit companies; and generally signaling to employers that this government is not interested in defending the legal rights of employees. Another four years of this and the entire 75-year-old social contract that created the American middle class—everything from Social Security to public education—will be ripped to pieces while allowing the corporate looting of the U.S. Treasury to continue through tax cuts, privatization, and overstuffed insider contracts.

In the speech that opened his re-election campaign, Bush told the Republican governors: "The American people will decide between two visions of government: a government that encourages ownership and opportunity or a government that takes your money and makes your choices. ... The security and prosperity of America are at stake." He couldn't be more right. ■

JEFF FAUX was the founding president and is now distinguished fellow of the Economic Policy Institute.



Throwing Away the Rules

In its zeal to kowtow to business, the Bush administration is dismantling a century of regulations that protect middle class consumers from financial fraud and health hazards.

BY MERRILL GOOZNER

CORPORATE AMERICA'S IDEOLOGICAL ASSAULT ON government regulation has undermined middle America's understanding of why these rules exist in the first place. It is true that some regulations have lived past their prime, protecting monopolies and stifling innovation. But the free-market ideologues of our era were not content to adjust those regulations to accommodate new economic realities. Instead, they preferred wholesale deregulation. The results are predictable.

The most spectacular market disaster of recent times—the accounting and stock-analyst frauds that robbed large swaths of the middle class of its retirement savings and misallocated trillions of dollars of investment capital—was a direct result of the deregulation of financial markets that began under Ronald Reagan and intensified during the Bill Clinton years. If you weaken the Securities and Exchange Commission (SEC) and limit investors' right to sue accountants and corporate managers for fraud, you get Arthur Andersen and Enron, Bernie Ebbers and WorldCom, Dennis Kozlowski and Tyco. If you repeal the Depression-era Glass-Steagall Act, you get a financial world where stock analysts publicly tout the products of investment banks while whispering to holders of big shares that it's time to sell.

Even after these events led to the most significant re-regulatory legislation in decades, the Sarbanes-Oxley Act of 2002, the SEC failed to uncover the mutual-fund scandal in which fund managers systematically robbed 85 million ordinary customers in order to please their corporate clients. If it weren't for Eliot Spitzer, the crusading attorney general in New York, the public still wouldn't know about the fraud.

Men and women of moderate income who are trying to clamber up the economic ladder are frequently victimized by a Wall Street-financed predatory lending industry that caters to car and home buyers with poor credit ratings. Neighborhood-based payday lenders prey on lower-middle-class people who live from paycheck to paycheck. Yet the Bush administration's response—issued earlier this year through the Treasury Department's Office of the Comptroller of the Currency—is to seek rules preempting aggressive state regulators who have taken the lead in policing the industry. "This [is a] blatant attempt to shield banks from legitimate state law enforcement," says Connecticut Attorney General Richard Blumenthal.

While the deregulatory movement has been a bipartisan affair greased by campaign contributions, the assault of the Bush administration has taken it to a new level. Indeed, the

headlines about the market failure may even suggest a way to challenge the prevailing orthodoxy in this election year.

Consider the meatpacking industry. Upton Sinclair's *The Jungle* led to an age of regulation a hundred years ago. Yet today's protectors of the nation's food supply, officials in the Agriculture Department, failed to prevent the first case of mad-cow disease from entering the United States. Within weeks of the incident, scientists on the inside admitted that the agency had ignored warnings that a spot inspection system was flawed—and was an accident waiting to happen. Even today, Ann Veneman, the former meat-industry lobbyist who heads the agency, continues to drag her feet on implementing universal testing on animals heading for slaughter.

Meanwhile, officials with the Food and Drug Administration (FDA) have ignored a decade of mounting evidence of the dangers of over-the-counter stimulants. They only overcame industry pressure when a major-league ballplayer died last year after using ephedra. Meanwhile, the agency has pursued policies that could appear on a Big Pharma wish list: working to prevent senior citizens from importing cheaper Canadian drugs, opposing price controls or even price negotiation by Medicare, moving slowly on warning consumers about potentially dangerous drugs, and doing nothing to regulate the vacuous and confusing drug ads aimed directly at consumers.

At the Justice Department, Federal Trade Commission, and Federal Communications Commission (FCC), their watchdogs sit around as cable rates go up, telephone competition is stifled, and the ownership of media is concentrated. In fact, FCC Chairman Michael Powell has even relaxed rules concerning cross-ownership and media concentration—despite widespread opposition to media conglomeration.

On the energy front, the effort by Vice President Dick Cheney to bend policy and regulations in an effort to promote an industry wish list—renewed nuclear power, coal, oil drilling in pristine regions—was too much even for Republicans. Unfortunately, the media's focus on that effort has meant not enough attention is being paid to the fleecing of the energy-buying public, a move that has been tacitly condoned by the Federal Energy Regulatory Commission (FERC).

The effects of energy deregulation are widespread and can be seen in a series of price gougings by oligarchies. And in recent months, we've experienced the California electricity crisis, skyrocketing natural-gas rates, and the current gasoline-

price spike. In every sector where deregulation has been tried, energy pricing became unhinged from supply and demand, not more responsive to market forces as promised by its proponents. Instead of regulators policing prices, we have producers colluding with one another in an effort to withhold supply and drive up prices. Yet the political appointees to FERC won't admit that energy deregulation is a failure.

Don't forget the environment. Not only does the Bush administration work hard to meet the demands of corporations, it also uses Orwellian doublespeak to gull the public. Polls show overwhelming support among the middle class for policies to protect the environment and move America toward a clean-energy future. So the Bush administration's plan to log in national forests far from fire zones is called the Healthy Forests Initiative. Eliminating pollution controls on power plants becomes the Clear Skies Initiative. Defiling Alaska becomes Energy Independence.

Not surprisingly, the administration and its oil-industry patrons are alarmed by the growing public awareness that environmental and national-security issues are converging. Even the Pentagon has begun planning for worst-case scenarios, such as a coastal deluge caused at least in part by

prominent biologists who had opposed a restrictive stem-cell research policy on a bioethics panel headed by Leon Kass. In response, an array of scientists has attacked the panel for undercutting U.S. efforts in this medical arena.

The administration also pulled out of the Kyoto Protocol on global warming, citing industry-funded studies that claim scientific understanding of the phenomenon is "incomplete." A National Academies of Science review has debunked the charge and affirmed a scientific record on global warming that has been embraced by scientists worldwide.

Amid mounting concern that obesity will soon become the leading cause of death in the United States, Health and Human Services (HHS) Secretary Tommy Thompson has lectured the American people about their waistlines and told them to go on a diet. Behind the scenes, though, HHS officials have responded to concerns about sugars, beverages, processed foods, and restaurants by casting doubt on the link between obesity and addictions to soft drinks and fast food. When the World Health Organization issued a report embracing these linkages, for example, HHS officials sent a 28-page memo to Geneva attacking the report.

That's not all. An Agriculture Department official's warn-

By manipulating science, the administration is catering to its political base of religious fundamentalists, corporate clients, and free-market extremists.

global warming. In last year's State of the Union address, the president spoke about a clean-fuel technology 20 to 50 years down the road. Meanwhile, he ignores things that could be done immediately to reduce greenhouse gases and diminish our dependence on Middle Eastern oil, such as raising the fuel-efficiency standard, eliminating the SUV-is-a-small-truck loophole, and providing tax credits for buying and producing hybrid vehicles.

When it can't bend the rules, the administration has sought to manipulate and degrade science in an effort to achieve dubious goals. The Union of Concerned Scientists has rounded up 60 scientists, including 20 Nobel Prize winners who served on advisory panels that date back as far back as the Eisenhower administration, to sign a public letter of protest. "I don't recall it ever being so blatant," Princeton University professor Val Fitch, who served under Richard Nixon and won the 1980 Nobel Prize for physics, told a news service. "It's just time after time after time, the facts have been distorted."

By manipulating science, the administration is catering to its political base of religious fundamentalists and corporate clients. For the religious right, the administration placed anti-abortion and anti-contraception opponents on an FDA advisory panel evaluating the scientific merits of an over-the-counter morning-after pill. Even after the committee gave the product a 23-to-4 nod, the FDA extended its review for 90 days to investigate potential adolescent use that might bolster opponents' charges that the pill promotes promiscuity.

Then, in February, the administration pushed out three

ing about the meat-inspection system was ignored. A Center for Medicare and Medicaid Services official with realistic cost estimates for the prescription-drug bill was threatened with dismissal. And EPA enforcement chiefs resigned after the agency abandoned its suits against major polluters. Their protests are a warning to every professional whose career intersects with the government regulatory process: Expertise counts for nothing when arrayed against political and economic clout.

Regulation in the public interest once protected the middle class from short-term economic reversals. The cost-benefit crowd overstates the costs and understates the benefits in costs saved. Mark Cooper, the director of research at the Consumer Federation of America, which has done yeoman-like work on many of these issues, has compiled estimates: \$90 billion from natural-gas price gouging, \$40 billion in gasoline prices, \$30 billion in cable rates.

The few crumbs of the Bush tax cut that went to middle-class households have been eaten up by the unregulated rip-offs that take place every month when folks pay their gas, electric, telephone, and cable-TV bills (not to mention health-insurance costs). That may not be a tax increase per se, but it drains the financial resources of average consumers and helps explain why in this profit-rich but jobless recovery, most middle-class Americans feel like they are losing ground. ■

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The Great Tax Shift

The president says his cuts are simply a way of “giving people their money back.” But the bill will come due one way or another—and lower- and middle-class households will foot it.

BY WILLIAM G. GALE AND PETER R. ORSZAG

THE BUSH ADMINISTRATION CLAIMS THAT THE guiding principle for its fiscal policy has been “lower income taxes for all, with the greatest help for those most in need,” as the White House Web site puts it. The reality is starkly different. The tax cuts enacted during George W. Bush’s presidency shift the burden of taxation away from upper-income, capital-owning households and toward the wage-earning households of the lower and middle classes. For all but the wealthy, this will ultimately cause substantial harm. Shifting costs to future generations of workers to finance tax boons for today’s owners of capital is unproductive, unfair, and unwise.

The Bush administration presided over two major tax cuts, in 2001 and 2003, along with a smaller one in 2002. Those cuts officially were going to cost the federal government \$1.7 trillion between 2001 and 2014, and to add nearly \$1 trillion in higher payments on the national debt over that period. That may sound like a lot, but in fact the official estimates are low, artificially held down by gimmicks, including the ostensible sunsets of all the tax cuts in 2010 or before. At least under the administration’s plans, these tax cuts would continue beyond their official expiration dates. If they are extended, they would reduce revenue by \$3.6 trillion between 2001 and 2014 and cost a whopping \$4.8 trillion when the additional debt service is included.

Without a doubt, and despite White House rhetoric to the contrary, the direct effect of the tax cuts is to widen after-tax income inequality. If the tax cuts are extended into 2011, after-tax incomes will increase by more than 9 percent for households in the top 1 percent of the income distribution in that year, by between 2 percent and 3 percent for households in the middle 60 percent, and by only 0.1 percent for households in the bottom 20 percent.

Most of the cost from the tax cuts reflects highly regressive measures, including lower marginal tax rates for high-income households, reduced taxation on capital gains and dividends, and elimination of the estate tax. These components provide extremely large benefits to a very small number of households, but they generate little if any benefit for most families. For most of the population, wages and salaries represent the vast majority of income. Capital income is much more significant the more income one makes. The top 1 percent of the population earns about one-tenth of the total

wage and salary income but almost half of all the capital income. Shifting away from a tax on all income and toward a tax on just wages thus moves the tax burden on to lower-earning workers.

That means that the administration’s claim—that the cuts are progressive because high-income households will pay a higher share of the income tax after the changes than before—is misleading. It’s true that high-income households will pay a higher share of the *income* tax, at least in the short run. But changes in tax shares are not an accurate way of measuring progressivity. If we reduced everyone’s income tax by 99.9 percent, for example, the shares of income taxes paid would remain constant—but the net result would be highly regressive.

Furthermore, the administration’s argument conveniently omits the estate tax (which is progressive and is slated to be eliminated), the corporate tax (which is progressive and was reduced in the tax cuts), and the payroll tax (which is regressive and was not cut). When all federal taxes are con-

sidered, the share paid by high-income households will decrease significantly because of the tax cuts.

So how did the White House manage to convince the public that Bush’s tax cuts were in fact good for the middle class? The cuts did have some provisions that were designed to help the middle class, including a new 10-percent bracket (which means that all households, including low- and middle-income ones, pay a 10-percent rate rather than a 15-percent one on their first dollars of taxable income—\$7,000 in taxable income for singles and \$14,000 for married couples); an expanded child credit; and tax cuts for married couples. Yet these provisions account for about one-third of the revenue loss from the tax cuts as a whole over a 10-year period.

In other words, the middle-class elements of the tax cuts were just a remarkably successful marketing ploy. They allowed proponents to extol the benefits for carefully selected Americans, disguising the much more regressive and expensive components and confusing the debate.

THE ULTIMATE EFFECT OF THE TAX CUTS DEPENDS IN part on how they are eventually financed. There are two options: reductions in other government programs and increases in other taxes. Borrowing indefinitely, the strat-

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egy preferred by many policy-makers, is not a long-term solution. That's because the longer policy-makers wait to pay for the tax cuts—or to give up on the exercise and simply cancel them—the more harm is imposed on the future economy from intervening budget deficits and the more the nation risks a full-blown fiscal crisis.

That danger exists because the deficit-financed tax cuts are, overall, harmful to the country's economic growth. Tax cuts themselves can have a positive direct effect on the economy; for example, they can reduce marginal tax rates and encourage people to work or save more. But tax cuts also increase the budget deficit, which has an adverse effect on economic growth over the long term because it reduces national savings, one of the key determinants of long-term productivity. Given the structure of the 2001 and 2003 tax cuts, various studies suggest that the net effect of these cuts is likely to be negative in the long run.

In addition to the losses from reduced economic growth, many families may suffer from increased interest rates on mortgages, car loans, and credit cards, rates that go up because higher budget deficits compete for the funds available for such lending. Conventional estimates suggest that the deficits associated with the Bush tax cuts could eventually raise long-term interest rates by between 0.5 percent and 1.5 percent, which would raise the annual payment on a \$150,000 mortgage by between \$500 and \$2,000. Households that are net borrowers, which are more likely to have modest incomes, suffer from the increase in interest rates. Households that are net lenders, which tend to be higher income, can benefit.

Ultimately, though, continuing to finance the tax cuts by running up the budget deficit will be unsustainable because even the federal government can't borrow an unlimited amount. In the face of ongoing substantial deficits, financial markets will eventually grow worried about whether the government will be able to repay the borrowed funds. To avoid a fiscal crisis, a permanent tax cut has to be financed either with lower spending or higher revenues from other sources. Both options have problems. Paying for the full tax cuts in 2014 by reducing government spending would be catastrophic, both substantively and politically: It would require a 48-percent cut in Social Security benefits, complete elimination of the federal part of Medicaid, or an 80-percent cut in all domestic discretionary spending (such as for environmental protection, education, and health research). The overall effect would be more

harmful to lower- and middle-class Americans, who depend on those programs, than the direct effect of the tax cuts themselves. Alternatively, the tax cuts could be financed by a 34-percent increase in payroll taxes or by more than doubling the tax on corporations.

IF THE BUSH WHITE HOUSE HADN'T BEEN IDEOLOGICALLY driven toward high-end tax cuts, it might have taken some important steps with the money instead. Rather than cutting taxes primarily for wealthy families, we could have financed substantial aid to the states, which would have obviated the need for recession-driven tuition increases and spending cutbacks. We could have invested heavily in children, for example, by fully funding Head Start. We could have provided more progressive tax cuts. Or we could have done all three—and still had money left over to reduce the deficit.

We also could have averted the coming crisis in Social Security. Over the next 75 years, the tax cuts will cost about three times the projected 75-year actuarial deficit in Social Security. As a result, even if we had not enacted only the most regressive components of the tax cuts, we would have had more than enough revenue to eliminate the entire Social Security deficit for the next 75 years. That wouldn't necessarily be the best course, given the competing needs for revenue, but it does dramatically illustrate the lost opportunities. It also underscores why Alan Greenspan's proposal to pay for the tax cuts with reduced Social

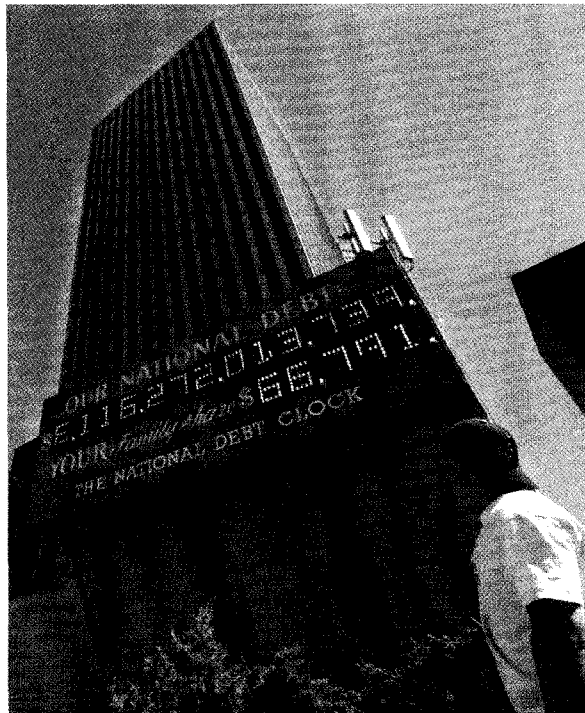
Security benefits will never add up: Have you ever tried to save \$3 from \$1?

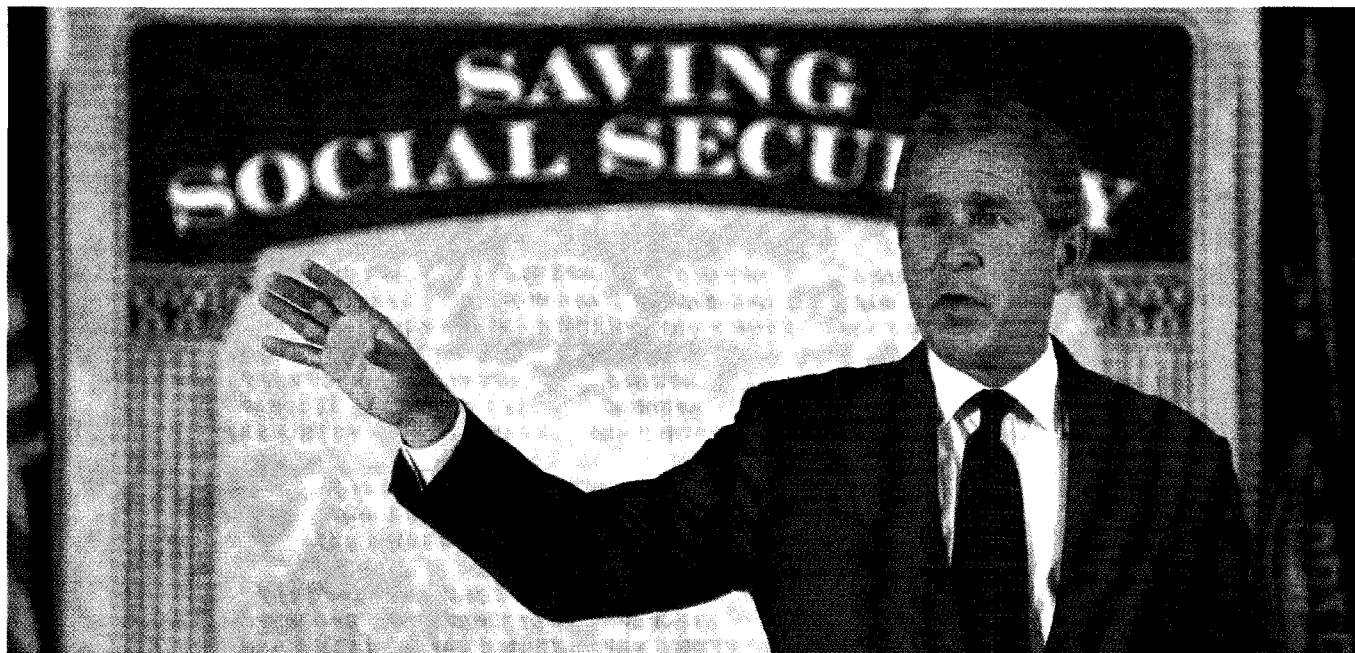
The president likes to portray his tax cuts as painless and simply "giving people their money back." Tens of millions of people, however, gain little from the tax cuts—and will eventually be hurt by the costs imposed on the budget and the economy.

For now, too many policy-makers are pretending that the tax cuts represent that ever-elusive free lunch. The reality is that the bill from the tax cuts will come due one way or another. And almost any way it plays out—other than simply repealing the tax cuts or allowing them to expire as officially scheduled—the vast majority of Americans will pay. ■

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Future Retirees at Risk

Bush's "ownership society" would replace existing social-insurance systems with personal savings accounts. His approach threatens to make old age and poverty synonymous again.

BY ALICIA H. MUNNELL

RETIREMENT SECURITY FOR MIDDLE-CLASS AMERICANS is at risk. First, the push to privatize Social Security has diverted attention from solving the program's financing problems. Second, unchecked reliance on 401(k) plans has made employer-provided pensions less reliable. Third, the president's "ownership society" initiative has led to policy proposals that undermine pension coverage and splinter the health-care system. Finally, massive budget deficits have now made it more difficult to fix Medicare and Social Security.

DIVERTING THE SOCIAL SECURITY DEBATE

Over the 75-year period for which the Social Security system's trustees are required to plan, Social Security in its present form will fall out of balance. It will have insufficient resources to pay for the benefits it has promised. We can restore balance with moderate changes to the program's revenues, its benefits, or the returns on its accumulated assets. But the longer the decision to do so is postponed, the greater the required adjustments. Thus, the debate right now should be about how much income we want to provide to retirees through this collective savings plan, how to pay for it, and how quickly to make the necessary changes. Instead, we are arguing about the virtues of private accounts.

Private accounts are a poor replacement for Social Security. The existing program provides only modest benefits today and will provide even more modest benefits in the future. It simply makes no sense to have a portion of this basic retirement income depend on the performance of the stock market. But the harm done by the privatization proposals goes beyond the merits of the accounts.

The privatization debate has delayed any real solution to the Social Security deficit. Solving the problem requires Congress to increase taxes or reduce benefits today—to solve a shortfall that does not arise until 2042. That is not a politically appealing option. The only way to get Congress to act is for a commission representing all points of view to provide political cover. The president's 2001 commission failed the test by requiring that any plan "include individually controlled, voluntary personal retirement accounts." By delaying action, this commitment to individual accounts exacerbates an already serious problem.

The emphasis on privatization has also diverted attention from the fact that, even under current law, Social Security benefits will replace a declining share of our earnings. For the average earner who retires at age 65, Social Security currently provides benefits equal to 41.3 percent of pre-retirement earnings, or 38.5 percent of earnings after deducting Medicare

Part B premiums. But for someone retiring in 2030, Social Security benefits are projected to replace only 29.9 percent of pre-retirement wages (see table below). There are three reasons for this decline: first, the slated increase in the normal retirement age to 67, which effectively will cut the benefit paid at any given age; second, the rising cost of Medicare Part B premiums, which are automatically deducted from Social Security benefits; and third, the expanding taxation of Social Security benefits under the personal income tax.

Knowing this, how should we eliminate the 75-year deficit? Making all the adjustment on the benefit side and exempting only the disabled and those presently 55 and over from the change would require a 20-percent benefit cut—in addition to the declines built into current law. Yet that is the policy that the Bush administration appears to support. And with all eyes focused on privatization, this choice has hardly been noticed.

The plan described in the 2004 Economic Report of the President has two components. The first would index future Social Security benefits to the growth of prices rather than wages. This would cut projected benefits by more than enough to eliminate the entire 75-year deficit. The second component introduces private accounts. Workers would be allowed to put 4 percent of their payroll tax, up to \$1,000 a year, into a private account and get a smaller Social Security benefit when they retire. Because the indexing would eliminate the 75-year deficit, the private accounts are actually superfluous. In fact, they would make things worse for the government, which would have to increase its borrowing substantially for decades to accommodate them. Nonetheless, it's the proposal for private accounts that gets discussed as if it were the solution to Social Security's problems.

401(K) PLANS COMING UP SHORT

If Social Security will be providing less in the future, will employer-sponsored pensions provide more? Probably not. In traditional pension plans, employers generally contributed the funds and bore the financial responsibility for meeting promised benefit targets. But the landscape has changed. Among those lucky enough to be covered by a pension (less than half the workforce), the portion with only a 401(k)-type plan has increased from 20 percent in 1981 to 60 percent today (see figure on page 55). Thus, 401(k)s will be the sole supplement to Social Security for the majority of future retirees with pension plans. And these plans are coming up short. The Federal Reserve's 2001 Survey of Consumer Finances reports that the typical household approaching retirement has only \$55,000 in its 401(k) account, not much to support two decades in retirement.

A critical factor in explaining these low 401(k) balances is

that the entire burden has shifted from the employer to the employee. The employee must decide whether or not to join the plan, how much to contribute, how to invest the assets, what to do about company stock, whether to roll over accumulations when changing jobs, and how to withdraw the money in retirement. The evidence indicates that participants make serious mistakes at every step along the way. A quarter of those eligible choose not to participate; less than 10 percent of those who do contribute the maximum. More than half fail to diversify their investments, many overinvest in company stock, and almost none rebalances his or her portfolios in response to age or market returns. Most importantly, many cash out when they change jobs, and very few annuitize at retirement.

Public policy could greatly improve the situation by setting the defaults in 401(k) plans to "best practice." Unless the individuals instruct otherwise, plans would automatically enroll all eligible participants, set their contributions at the level that maximizes whatever employer match is available, diversify and rebalance their portfolios as they age, restrict investments in company stock, automatically roll over lump-sum distributions, and pay out retirement benefits in the form of a joint-and-survivor inflation-indexed annuity.

To date, however, little has been done to make 401(k) plans work better. Not even the issue of overinvestment in company stock has received the attention it ought to, given that 20 percent of 401(k) assets—40 percent of assets in large plans—are invested in company stock. The spectacular failures of Enron,

Polaroid, and Global Crossing should have driven home the downside of this risky practice, as large numbers of workers lost their jobs and retirement savings at the same time.

UNDERMINING PENSION AND HEALTH SYSTEMS

Instead of bolstering pension and health-care protections for middle-class Americans, the Bush administration's commitment to an ownership society has led it to propose policy changes that will undermine existing programs. On the pension side, the president's 2005 budget introduces a set of new tax-preferred accounts, including the Retirement Savings Account and the Lifetime Savings Account, which would operate something like supercharged Roth IRAs. A couple with two children could put as much as \$30,000 per year into these accounts—before putting a single dollar into a 401(k) plan—and the money could grow and be withdrawn tax-free.

One rationale for these proposals is to circumvent current limits on IRA and 401(k) accounts and thus increase savings. But whose savings? Middle-class families can't save \$30,000 per year because they *earn* only slightly more than that. And regular people are simply not constrained by the current rules. Only 5 percent contribute the maximum to

SOCIAL SECURITY REPLACEMENT RATES (THE PROPORTION OF PRE-RETIREMENT INCOME THAT BENEFITS REPLACE) FOR AN AVERAGE EARNER WHO RETIRES AT AGE 65 IN 2003 AND 2030

2003	
Reported replacement rate:	41.3%
After Medicare Part B deduction	38.5%
2030	
Replacement rate after the:	
Increase in normal retirement age	36.3%
Increase in Medicare Part B premium	32.6%
Increase in personal income taxation	29.9%
20 percent benefit cut to eliminate deficit	22.6%

Source: Alicia H. Munnell (2003) "The Declining Role of Social Security," Center for Retirement Research Issue in Brief, No. 6 (February).

their IRAs and only 8 percent to their 401(k)s. The only people who would gain from the higher limits are the wealthy.

For middle-class families, the new accounts would more likely lead to a *reduction* in pension coverage. Under current law, the owners of small- and medium-sized businesses can enjoy the valuable tax advantages of qualified pension plans only if they comply with the nondiscrimination rules and provide benefits to the rank and file. With the proposed savings accounts, most business owners would be able to save just as much money and reap equivalent tax advantages for themselves without incurring obligations to anyone else. As a result, they would be less likely to establish pensions for their employees.

In the area of health benefits, the ownership-society ideal has produced health savings accounts. A provision of the Medicare prescription-drug law passed in 2003 allows individuals and their employers to put a total of \$2,600 (\$5,150 for a family) of pre-tax dollars into such accounts. Although this part of the legislation has received little attention, it could have a sweeping impact on the American health-care system.

The danger is that health savings accounts could undermine the pooling of risks that are central to the existing employer-sponsored system. If given the choice, the healthy and the wealthy will tend to opt for a medical savings account plus a comparatively cheap catastrophic health-insurance policy. (The healthy think they are unlikely to get sick and the wealthy are well-heeled enough to cover the higher deductibles of a catastrophic policy.) This would leave the old comprehensive health plans with a growing proportion of poor and sickly members and sharply higher costs. If the premiums for these plans were to rise much as a result, employers might well decide to offer only catastrophic coverage and let their employees rely on individual savings accounts to cover most of their health-care bills. And if ordinary families are unable to save as much in their health accounts as they end up needing? The system would offer no provision for them.

The tax treatment of the health savings accounts is extraordinary. Tax preference accounts such as IRAs exempt *either* contributions *or* withdrawals from tax. But in the new health savings accounts, both contributions *and* withdrawals are exempt, so long as the money is used for health-care purposes. To further spur the use of health savings accounts, President Bush proposed in his State of the Union address that premiums for catastrophic policies be fully tax deductible.

Wealthy people could gain greatly from such tax provisions. But the more attractive we make individual health and

retirement accounts for the rich, the more likely they are to harm middle-class workers and their families by undermining the pension and health-insurance systems on which so many ordinary people rely.

GUTTING THE FEDERAL BUDGET

Even more threatening than these legislative proposals has been the gutting of the federal budget. When President Bush took office, the Congressional Budget Office (CBO) reported a 10-year surplus of \$5.6 trillion for the period of 2002–11. The CBO now projects a \$1.9 trillion deficit over the period of 2005–14. Neutral observers such as the Concord Coalition, which is not constrained by the CBO's mechanical rules for calculating a baseline budget, see a 2005–14 deficit of \$5.3 trillion.

What turned the budget world upside down? Some factors were unforeseeable. The CBO's economic assumptions turned out to be too optimistic; the office did not forecast the recession that was only a few months

off when it made its original projections. The budget model, based on patterns observed during the bubble of the 1990s, overpredicted revenues. The events of September 11 resulted in large expenditures for defense and homeland security.

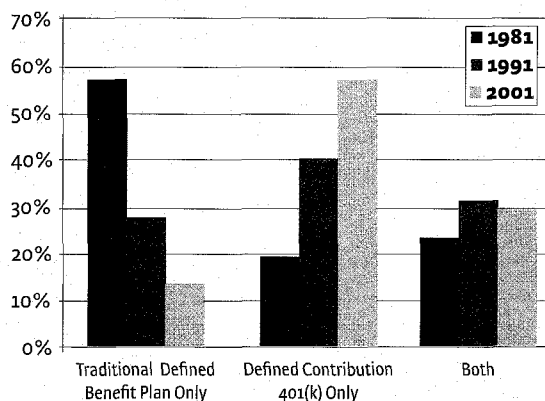
But the main reason for the swing from surplus to deficit was tax cuts. These cuts have substantially reduced government revenues and could bring about even larger reductions in the future if the president succeeds in having them made permanent. The Center for Budget and Policy Priorities estimates that over the

next 75 years, the long-term cost of retaining the tax cuts will amount to between 2.3 percent and 2.7 percent of the gross domestic product. This exceeds the combined 75-year deficit in the Social Security (0.73 percent of the GDP) and Medicare (1.11 percent of the GDP) programs. In other words, President Bush is giving away the money that could solve the Social Security and Medicare financing problems. Nothing could be more harmful to the future security of middle-class workers.

Social Security, private pensions, and our employer-sponsored health-insurance system have been extremely successful programs. Because of them, being old in America no longer means being poor. But this success is about to be reversed. Enthusiasm for replacing our existing social-insurance systems with personal savings accounts and a gutted federal budget threatens to make old age and poverty once again synonymous for much of the American middle class. ■

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PERCENTAGE OF WAGE AND SALARY WORKERS WITH PENSION COVERAGE BY TYPE OF PLAN, 1981-2001



Source: U.S. Department of Labor (2002). Percentages for 2001 are based on the author's calculations from Survey of Consumer Finances data.

Currents

THE LITERARY LIFE



Eye Wide Open: James T. Farrell, one writer the 1930s radical critics actually got right.

The Honorable Menace

A new centennial biography of James T. Farrell seeks to revive the truculent author of *Studs Lonigan*—and to make a neocon of him.

BY SCOTT MCLEEMEE

IN 1954, JAMES T. FARRELL PUBLISHED a collection of essays called *Reflections at Fifty*. It is long since out of print, like most of his novels and, so far as I can tell, all of his nonfiction volumes. Digging it out now, *Reflections* is a reminder of what the author of *Studs Lonigan* was like—or rather, of how he wished to present himself—halfway to his centennial, which we mark this year.

A fitting shorthand expression for that role would be the “Great American Novelist.” One of the pleasures, as well as the frustrations, of reading Farrell is that the cliché fits so neatly. By 1954,

some 20 years had passed since the days when the *Studs Lonigan* trilogy appeared, followed by several other novels chronicling life in the Irish ’hood during the first three decades of the century. Each novel cut its slices of life pretty close to the bone. The combination of sex, coarse language, and low-life insouciance made his fiction seem a kind of menace to the public order. When the first volume of the *Lonigan* series appeared in 1932, the publisher included a preface by a sociologist testifying to its documentary value.

The essays Farrell compiled at 50 show an author determined to remind

readers that his novels were not case studies and that he had absorbed, and made his own, a literary tradition that included Theodore Dreiser and Sherwood Anderson, James Joyce and Henrik Ibsen. He protests against the tendency “to lock up in facile sociological theses the wonderful, awesome, and often tragic aspects of life revealed in great and serious literature.”

If that sounds defensive, well, he had reason. Even now, with *Studs Lonigan: A Trilogy* available in a new edition from the Library of America (the closest thing we have to literary consecration), Farrell is still known as a kind of amateur social historian. But what makes *Lonigan* powerful now is not the steady accumulation of detail about life in an Irish American enclave of Chicago from 1915 to 1931; no, it’s the way it renders the intense, if limited and ultimately tragic, internal life of Studs—a neighborhood tough guy (or, rather, wannabe tough guy) whose world and possibilities are hemmed in by the demands of Catholicism, work, and an ethnic solidarity that makes every other group a menace to be loathed. The fact that, in 2004, Farrell seems to be denouncing communitarian sentimentality is, of course, unintentional.

The radical social critics of the early 1930s saw in *Lonigan* something like an analysis of the decay of capitalist society and the emergence of fascism. And for once, the cookie-cutter Marxism of the American communist literati provided a fair estimate of what the author was actually doing. In *An Honest Writer*, Robert K. Landers gives an accurate if by no means complete account of Farrell’s involvement in the far left—a trajectory that lead him from fellow-traveling with the Communist Party in the early 1930s to an active role in the defense of Leon Trotsky and, later, of the American Trotskyists who were imprisoned for

sedition during World War II.

By 1954, when the novelist was framing his image for posterity, Farrell was what people now habitually call “a virulent anti-Communist.” But he was a *left-wing* anti-Communist, someone who saw the Soviet Union (and its amen corner) as a murderous travesty of egalitarian aspirations rather than their natural fulfillment. In *Reflections*, he reprinted an essay on his own role in getting John Dewey to go to Mexico to conduct a hearing into the Russian accusations against Trotsky. For Landers, that episode was in keeping with the fundamental decency and honor in Farrell that he wants to signal in the biography’s title, *An Honest Writer*.

But the fact that the novelist still considered himself some kind of a Bolshevik even in the late 1940s is clearly bewildering—in a way that Farrell’s later support for the Vietnam War, and his vote for Richard Nixon in 1972, are not. At the time of his death in 1979, Farrell was one of the most prominent members of Social Democrats U.S.A., a Cold War-era conservative organization that split off from the left-leaning Socialist Party in the early 1970s. It may not be until Farrell’s bicentennial that enough documents are declassified for historians to understand the group’s role in American foreign policy. Landers discusses “Sedusa,” as it’s known, only very briefly.

I mention all this with some trepidation, because Landers is very clearly determined to include this Great American Novelist in the neoconservative pantheon. It would seem, at first glance, a logical place to put a Trot (or ex-Trot). Much has been written over the past year about the role of “Trotskyites in the Bush administration”—including the bizarre and specious (indeed, quite incoherent) charge that the military adventures of Paul Wolfowitz and friends are an application of the old man’s “theory of permanent revolution.” The last thing that Farrell’s now rather uncertain literary reputation needs is for him to be inserted into the more feverish scenarios being elaborated about “the neoconservative cabal.”

But shoving Farrell into that foxhole is not so easy. For one thing, the loss of Farrell’s revolutionary illusions corresponds to an unmistakable loss of cre-

ative power. His later novels are, in a word, terrible. After 1958, for example, Farrell threw himself into a multivolume work called *A Universe of Time*, which resembles Marcel Proust as translated by Mickey Spillane. The inconvenient truth (which Landers sidesteps) is that Farrell’s “unrealistic” leftism somehow nurtured his literary realism.

Even more inconvenient is the fact that while Farrell was an ardent Cold Warrior, his ardency was rather idiosyncratic. But the one incident that seems to cause his biographer real embarrassment involves the novelist’s resignation from the American Committee for Cultural Freedom, that redoubtable (and CIA-funded) bulwark of the anti-communist intelligentsia. Farrell quit in 1956, declaring that the United States ought to end its alliances with dubious regimes around the world and complaining that the committee was slow to challenge America’s “growing apathy and complacency.”

Landers suggests that Farrell’s prodigious alcohol consumption was a factor in this pronouncement. Fair enough: The Lonigan novels were not a self-portrait, yet Farrell always had a bit of

Studs in him, ready to prove himself in a fight. For Landers, that impulse could sometimes be a distraction from Farrell’s commitment to “cultural freedom,” as embodied in our no doubt wonderful way of life. But in looking again at *Reflections at Fifty*, I notice that Farrell includes his testimony during a 1948 obscenity trial in Philadelphia, where the police had been seizing copies of his novels. (Strangely enough, Landers does not describe the event.)

The court transcript is the last thing in *Reflections*, which gives it pride of place—and it is not difficult to see why. The prosecutor complains about Farrell’s realistic depictions of everyday sordidness. Farrell responds by citing Chekhov’s notebooks and Dewey’s *Human Nature and Conduct*, with occasional references to Spinoza and Dostoevsky. Even on the page, it is a bravura performance—a reminder of his claim, in the face of any doubt, to the title of Great American Novelist. ■

SCOTT MCLEEMEE is a senior writer at The Chronicle of Higher Education. He recently received the Nona Balakian Citation for Excellence in Reviewing from the National Book Critics Circle.

BOOKS

Father Figured

GEORGE HERBERT WALKER BUSH (PENGUIN LIVES SERIES)
BY TOM WICKER • LIPPER/VIKING • 228 PAGES • \$19.95

BY DAVID GREENBERG

WHO WOULD HAVE THOUGHT JUST A few years ago that George Herbert Walker Bush would, to put it a bit cruelly, be relevant again? When he left office in January 1993, ceding the White House to a new party, a new generation, and a new governing philosophy, Bush seemed to slink off into the cavernous warehouse of history, settling into a nook alongside the undistinguished presidents of yesteryear. Undermined by the political right, abandoned by his predecessor’s “Reagan Democrats,” routed by the youthful, can-do Bill Clinton, Bush by the end was fatalistically watching the sands run out on his own tenure. James Carville

compared him to an old calendar.

By the time of Bush’s departure, Americans had practically forgotten his justly celebrated expulsion of Saddam Hussein’s army from Kuwait two years earlier. Bush himself had fed this amnesia by failing to bring the tyrant to justice. More important, he never understood that jobs and health care matter as much as (and sometimes more than) war and peace—or that his *laissez-faire* nostrums and hands-off economic management struck voters as cluelessness or, worse, indifference.

Today, however, after a second George Bush as president, a second war in Iraq,

and a second economic slump that trickle-down bromides have failed to fix, the past has suddenly returned as prologue. The elder Bush's presidency assumes new meaning as a precursor of his son's. Tom Wicker, the longtime reporter and liberal columnist for *The New York Times*, who retired in 1991, has written a short biography of Bush Senior for Viking's "Penguin Lives" series. The book offers no groundbreaking research or revelations, but, in the spirit of the series, provides a concise and trenchant assessment of Bush's career at a time when readers may wish to revisit it.

While hewing to familiar sources, facts, and episodes, Wicker nonetheless persuasively revises Bush's popular image. We typically think of the good-natured "Poppy" as benign if a bit ineffectual, a "kinder, gentler" Ronald Reagan. Lacking the Gipper's dynamism and ideological vigor, Bush offered instead an air of decorum and conciliation rooted in the noblesse oblige of his Yankee lineage. No phrase captures Bush's signature caution better than the mantra of his *Saturday Night Live* impersonator Dana Carvey: "Wouldn't be prudent."

Wicker's portrait—largely unflattering but in no way strident—shows a man far less high-minded and honorable than his demeanor suggested. The geniality, the mild temper, and the impeccable manners, Wicker suggests, camouflaged an "overweening ambition" that drove Bush to make crass compromises. His hunger for the presidency led him to toss aside his moderate views to appease the ever-more conservative Republican base and to campaign viciously in tight races. Yet when he finally seized the brass ring, Wicker suggests, he lacked the vision to be more than a "caretaker."

Bush began compromising early. In 1964, when he ran for the Senate as a successful young Texas oilman, the frontier conservatives of the Lone Star State warily eyed this blue-blooded scion of the moderate Connecticut Senator Prescott Bush. To prove his bona fides, Bush jettisoned his support for the United Nations and denounced the Limited Nuclear Test Ban Treaty. Where Prescott's wing of the GOP had rallied to the quest for racial equality, Bush now lined up behind Republican presidential nominee Barry Goldwater in oppos-

ing the landmark Civil Rights Act of 1964. Yet Bush lost the race anyway.

Two years later, however, the ambitious Bush won election to the House of Representatives. He would subsequently write of his dismay at having been "swamped in the black precincts" in 1966, despite "an all-out effort to attract black voters." Wicker tartly retorts: "Can he have forgotten that he had opposed the Civil Rights Act ... ? Or did he believe that blacks should know that a Yale-educated candidate of good family could not be racially biased and was for them in his heart, no matter how political circumstances might have forced him to vote?" Here and throughout the book, Wicker pinpoints Bush's discomfort with taking the tough stands that politics requires, his wish to be appreciated for his decency and competence alone.

Bush offered an air of decorum and conciliation rooted in the noblesse oblige of his Yankee lineage. Wicker's portrait shows a man who was far less high-minded.

Bush lost another Senate bid in 1970. But by then he had woven a large and tight web of contacts, famously dashing off piles of handwritten notes to an ever-expanding roster of friends and potential supporters. He parlayed his connections into a series of appointive positions in the Nixon and Ford White Houses: U.S. ambassador to the United Nations, chairman of the Republican National Committee, liaison to China (just before the two nations' restoration of full diplomatic relations), and head of the CIA.

These years were probably Bush's happiest. Appointive office spared him the shabby business of posturing and courting votes and invested him with meaningful authority within his specialized spheres. And if four years in the House and six at executive posts didn't normally make someone a presidential contender, Bush's networking had gained him enough respect within the party to make him a credible choice in 1980. A hair's-breadth victory in the Iowa caucuses over Reagan that year established Bush as a moderate alternative to the right-wing front-runner, and at that summer's convention Reagan anointed

him his running mate to unify the party.

Though hardly unique among vice-presidential aspirants, the flip-flops that Bush executed upon joining the ticket—deep-sixing his scorn for what he had called "voodoo economics," U-turning from abortion rights to anti-abortion—continued the pattern of subordinating principle to ambition. So, too, did his behavior in the Iran-Contra affair, a subject on which Wicker is especially sharp. Wicker establishes that Bush, despite his denials, was demonstrably present at White House meetings in 1985 and 1986 dealing with the secret trade of arms to Iran for American hostages in Lebanon. Yet Bush never questioned the controversial policy, perhaps disinclined to take on the hard-liners whose support he would need in his own upcoming presidential bid.

Wicker is even more unsparing on the 1988 campaign. This time Bush compromised not only his political principles and his judgment but also his belief in fair play. Fending off a surge by his longtime rival Bob Dole after the Iowa caucuses, Bush initially blanched at running a TV ad in New Hampshire that attacked Dole for "straddling" on the key question of tax increases. But in the face of weak poll numbers and a nagging public image as a "wimp," Bush capitulated to the take-no-prisoners counsel of Roger Ailes, Lee Atwater, and his eldest son, George W. Bush. He won New Hampshire and the nomination.

In the fall, Bush waged what Wicker calls "one of the most slashing attack campaigns in presidential history." He trashed Democratic nominee Michael Dukakis with his famously scurrilous race-baiting and aspersions on the Greek American's patriotism. Wicker notes more than once that Bush claimed he would do whatever was necessary to win.

Ironically for Bush, his embrace of the far right's agenda and his newly lacerating style failed to earn him, as president, the trust of the ultraconservatives.

And when pangs of responsibility (or worries about getting re-elected) led him to renege on his no-new-taxes pledge from 1988, Republican Whip Newt Gingrich and the right felt confirmed in their view that Bush was no true believer.

The Gulf War, which Wicker fairly credits as Bush's finest hour, helped the president unite his party—along with many others—behind his leadership. Taking a page from Dukakis' 1988 foreign-policy platform, he patiently built global support behind a campaign to enforce international law. But the eventual victory failed to sustain his popularity through economic hard times. By 1992, the liberation of Kuwait seemed tangential to Americans' well-being. Bush dusted off his 1988 playbook to go after Bill Clinton as a draft dodger and '60s flower child, but this time around his fighting spirit struck too many voters as desperation. On election day, Bush's per-

centage of the vote was the lowest of any incumbent in 80 years.

It would have been helpful if Wicker had provided more of an overview of Bush's presidency, apart from the familiar high points. The book could have delved into any number of understudied issues from those years, like Bush's environmental policies or the festering of urban problems. Yet Wicker set out to write not a policy assessment but a pithy character study. The character is that of a man whose ambition too often overrode his decency. And character, we know, matters—influencing the choices that presidents make in office, the mood they set for the public, and, not least, the values they instill in their children. ■

DAVID GREENBERG's book *Nixon's Shadow: The History of an Image just won* The Washington Monthly's *Political Book Award* for 2003.

BOOKS

The Constitution in Play

RESTORING THE LOST CONSTITUTION: THE PRESUMPTION OF LIBERTY
BY RANDY E. BARNETT • PRINCETON UNIVERSITY PRESS • 357 PAGES • \$32.50

BY SIMON LAZARUS

EXCEPT FOR CONSERVATIVE ACTIVISTS and a few academics, virtually no one pays attention to right-wing legal theories. But if, as promised, George W. Bush in a second term hands the federal judiciary over to acolytes of Justices Antonin Scalia and Clarence Thomas, conservative legal scholarship may prove an indispensable guide to where America is headed. The stakes involve far more than abortion rights and other high-profile legal issues.

To understand the constitutional agenda percolating on the right, a good starting point is Randy E. Barnett's accessible new book, *Restoring the Lost Constitution*. Barnett, who teaches law at Boston University, dissects the constitutional arguments (fashioned by lawyers and judges over the past two-thirds of a century) for the principles of governance that have prevailed since the New Deal.

Most Americans take these principles for granted: sovereignty of the national electorate, empowerment of Congress as the people's surrogate to address any problem of national importance, and active judicial intervention to protect individual and minority civil and political rights, with lower priority for property rights and other economic interests. For the past two decades, however, the legal intelligentsia on the right has been beavering away at strategies to discredit the governing constitutional regime, and Barnett provides a handy introduction to the ancestry and merits of these theories.

The title's reference to the "Lost Constitution" may seem simply like book-jacket hyperbole. But since at least the mid-1980s, right-wing lawyers have promoted the notion that landmark precedents of the preceding half-century could be shunted aside as unfaithful to an imagined "real" Consti-

tution. According to the conservatives' "originalist" doctrine, constitutional interpreters today should fastidiously track understandings prevalent at the time that the Constitution was drafted and ratified. For example, in a 1995 opinion, Justice Thomas contended that if interstate "commerce" narrowly connoted "trade" between the states in 1789, the Supreme Court took a "wrong turn" in 1937 when it upheld broad New Deal laws on the ground that "agriculture" and "manufacturing" were part of commerce. Douglas Ginsburg, a federal judge and erstwhile Reagan Supreme Court nominee, came up with the formula that resonates most widely on the right in a 1995 article mourning the "Constitution in Exile."

Barnett's analysis makes clear that the restoration agenda requires reaching back even earlier than the New Deal era to rewrite settled law. He takes dead aim at the bedrock rule prescribed in 1819 by the first chief justice, John Marshall, that it is up to Congress, not unelected judges, to figure out how to manage the people's business, as long as the goal of Congress is constitutionally authorized and its means do not violate constitutionally protected rights. Marshall generously construed the clause that empowers Congress to enact all legislation "necessary and proper" to exercise any of its powers. "Let the end be legitimate," Marshall wrote, "let it be within the scope of the constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the constitution, are constitutional."

For nearly two centuries, law students have memorized this passage as the foundation of a strong and flexible central government, meant to last, as Marshall said, "for ages to come." But Barnett contends that the great chief justice got it wrong. Echoing an argument made a decade ago by his Boston University colleague Gary Lawson, Barnett claims that "necessary" refers only to essential or optimal laws and that the word "proper" empowers judges to rule out (as "improper") laws inconsistent with "norms" implicit in (the conservative-libertarian version of) the Constitution.

Is this brash exercise simply a flight of

academic self-indulgence? On the contrary, during the past decade the conservative majority on the Supreme Court has embraced precisely the scrutiny of means and ends recommended by Lawson and Barnett, as it has thrown out acts of Congress at a rate more than five times higher than that for the preceding two centuries. In invalidating the Gun-Free School Zones Act (in 1995) and the Violence Against Women Act (in 2001), the Court, in effect, followed the Lawson-Barnett approach. In both these landmark cases, Chief Justice William Rehnquist held that under the interstate-commerce clause, Congress cannot adopt measures to reduce the adverse effects of violence on commerce if these laws clash with postulates of "federalism" allegedly implicit—but not actually written—in the Constitution.

In the same vein, a five-member majority on the Court immunized state governments from lawsuits to redress employment discrimination against the elderly (2000) and the disabled (2001), holding that private lawsuits were not

"congruent" and "proportionate" means to enforce the equal-protection guarantee of the 14th Amendment.

The bad news is not how far the Rehnquist Supreme Court has carried this approach to second-guessing Congress but how much further a Bush-appointed judiciary could extend that template and shred the fabric of environmental, labor, education, anti-discrimination, and other social programs.

Contrary to a common assumption, rightist jurisprudence is not monolithic. Barnett himself is a libertarian across the board, and his take on sexual privacy, among other matters, would not match the views of most conservatives. His account opens a window on conflicts and contradictions within conservative ranks. While Robert Bork and George W. Bush blast "liberal judicial activism" on such issues as sexual privacy and the death penalty, Barnett and other libertarians, the property-rights movement, and defenders of the Supreme Court majority's new "federalism" frankly condone judicial activism aimed at

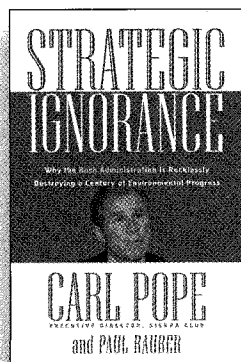
rolling back the regulatory state.

Chief Justice Rehnquist pledges to tether Congress tightly to powers specifically "enumerated" by the framers of the Constitution, while the religious right clamors for federal bans—lacking any clear constitutional warrant—on abortion, euthanasia, and stem-cell research. Justice Scalia touts the "originalist" credo, but he and his allies embrace doctrines undreamed of by the framers, such as the idea that the Fifth Amendment requires "just compensation" not only when the government expropriates property but also when regulations interfere with its profitable exploitation.

For contemporary liberals, the Constitution that Barnett and likeminded libertarians would like to "restore" is not entirely without appeal. As Barnett points out, in the Court's surprisingly strong June 2003 *Lawrence v. Texas* decision rejecting state anti-sodomy laws, Justice Anthony Kennedy eschewed the widely criticized argument that gay sex is protected by a "right of privacy" im-

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Strategic Ignorance

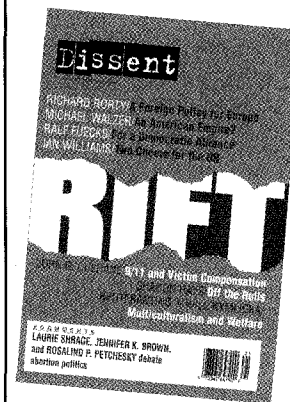
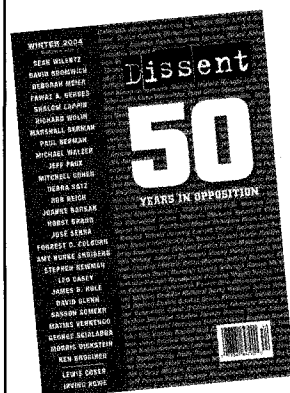
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BY CARL POPE AND PAUL RAUBER

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plicit in the Bill of Rights. Instead, Kennedy embraced a more far-reaching idea advanced by Barnett and derived from former Justice Arthur Goldberg and law professor Charles Black Jr. Observing that sexual intimacy is integral to personal relationships, Kennedy held that forming such relationships is part of the "liberty" expressly protected by the constitutional prohibition against denial of "life, liberty, or property" without due process of law.

Kennedy's opinion has triggered a ferocious reaction on the religious right precisely because it could put sexual freedom on a new, and firmer, constitutional footing. But in Barnett's view, Justice Kennedy's subtle shift of rationale could facilitate a revival of the old, pre-New Deal doctrine that "freedom of contract" barred labor laws and myriad other social and economic reforms.

Barnett is certainly correct that, as a philosophical matter, the framers placed a high value on protecting property rights. But only by torturing the legal text they drafted (and ignoring originalist insistence on the most plausible interpretation) can he support his specific claim that, say, the Clean Air Act should be struck down until authorized by a formal constitutional amendment. As Barnett cheerfully admits, his recipe for trivializing Congress scraps popular sovereignty as the basis of constitutional legitimacy, in effect deleting the framers' carefully chosen keystone, "We the People," from the preamble to the document.

Even the most devout Bush appointees are unlikely to carry their anti-government faith to so impolitic an extreme, but they could achieve similar results indirectly. While avoiding head-on challenges to the post-New Deal state, judicial conservatives have already devised monkey wrenches to cripple its machinery: byzantine "federalism" constraints, financially onerous "just compensation" requirements, limits on congressional authority to delegate policy-making authority to executive agencies or to impose conditions on states' acceptance of federal funds, and procedural obstacles to citizen enforcement of federal rights.

All the elements of Barnett's theories

may not find their way into the law. But his vision of activist right-wing judges nullifying long-standing social and economic reforms is anything but merely academic. Ultimately, the voters and their representatives in Congress and the White House will decide whether

this reactionary vision reshapes the nation for decades or stays between the covers of books and law reviews. ■

SIMON LAZARUS is the public-policy counsel to the National Senior Citizens Law Center.

BOOKS

Dreams and Realities

THE AMERICAN DREAM AND THE PUBLIC SCHOOLS BY JENNIFER HOCHSCHILD AND NATHAN SCOVRONICK • OXFORD UNIVERSITY PRESS • 301 PAGES • \$35.00

BY RICHARD ROTHSTEIN

BENEATH ALL THE CONTROVERSIES that roil America's public schools—bilingual education, school choice, inclusion of children with disabilities, alternative approaches to instruction, and so on—is there one fundamental conflict and one master key? The political scientists Jennifer Hochschild and Nathan Scovronick think so. In their new book, they claim that the crux of America's education debate is a conflict between individual and collective goals. The individual goal, they say, is to give each child the chance "to make whatever I want of my life," limited only by talent and hard work—in short, the ability to achieve one's "dreams." The collective goal is that the schools enable *all* children to "achieve their dreams."

The trouble, according to the authors, is that in a competitive world, each child's success depends on others being less successful, and influential parents want to keep a thumb on the scales to ensure their children's advantage even when other children are equally talented and hardworking. America fails to realize the dream for all because of the competitive advantage that some children gain from growing up in privileged families.

The dilemma is real, but Hochschild and Scovronick resolve it too glibly. Americans can pursue both the individual and collective aspects of the American dream, the authors insist, if we do a better job of integrating schools by race, equalizing school finances,

improving instruction, providing limited school choice, and mainstreaming (where feasible) disabled and non-English-speaking children. Each of these policies, they say, limits the "dreams" of privileged children very little but does a lot to equalize the chances of fulfilling the dream for all.

The book's repetition of such phrases as "pursuing dreams" instead of "succeeding" in school or in life is annoying and imprecise. It's easier to define career success than to know what children are actually dreaming—and that is not a trivial distinction. While privileged children may dream of becoming lawyers or doctors, working-class children may dream simply of having a steady and secure job. Inequality in America gives rise to relatively little class conflict, in part because social context limits dreams and most lower-class adults and their children have accepted their lot.

The overuse of "dream" as a euphemism for "success" gets Hochschild and Scovronick into trouble because it lets them avoid asking whether success for all would be possible even if all children had equally influential parents and equally ambitious dreams. Here is a thought experiment I wish the authors had attempted: What if all children, from all racial, ethnic, and social class backgrounds, completed high school fully literate and numerate and went on to graduate from college? Would we then have a nation only of doctors, lawyers, engineers, teachers, and managers? Who would drive the trucks, wait

the tables, empty the bedpans, sell the merchandise, assemble the automobiles? Would they be only those who dreamed of being waitresses or cashiers?

The Bureau of Labor Statistics periodically projects occupational demand for the ensuing decade, estimating how many job openings will require a college degree, a two-year vocational certificate, or only on-the-job training. Two years ago, the bureau estimated that from 2000 to 2010, 21 percent of openings will require a bachelor's degree (about one-fifth of these will require graduate training), and another 9 percent will require a two-year associate's degree or vocational certificate. Of the 70 percent that will require only on-the-job training, nearly half will need only short-term training. In newly released estimates taking us to 2012, the bureau projects that employers will add 13 million service workers (food-preparation and serving jobs are the biggest category, followed by janitorial jobs), 12 million professionals (mostly teachers), 7.5 million office workers (clerks are the biggest source of demand here), 7 million sales workers (mostly cashiers), and 5 million managerial and finance workers.

These data project past trends, and some scholars claim that they understate the potential for a radical shift upward in demand for skill. Perhaps these criticisms are correct. But even if the number of jobs requiring higher education proves to be twice as large as the bureau projects, we would still be left, by 2012, with less than half of all job openings suitable for college graduates. Given the jobs that will actually be available, most children in school must either have their "dreams" squelched or must "dream" quite modestly.

I don't have a solution, except to say that the question is made more difficult by seeking all the answers in school reform. If young people who were recruited out of school to be truck drivers, retail sales workers, cashiers, health-care aides, and janitors could be assured of economic security, the consequences of losing the race in school might be less severe. Hochschild and Scovronick accept the mythology that doing better than one's parents is a distinctively American aspiration. But, ironically, according to a recent study of intergen-

erational mobility by The Century Foundation, "the American dream is less common in the United States than elsewhere," in large part because of growing income inequality.

The chief contribution of *The American Dream and the Public Schools* comes in the chapters on specific educational conflicts. In the best of these, covering school integration, the authors analyze how gains made in the first decades after the Supreme Court's 1954 decision were reversed when courts refused to require busing across district lines and limited desegregation orders to schools deliberately segregated as a matter of educational policy (and not, for example, because of segregated housing).

Hochschild and Scovronick claim that white opposition to integration

down more on the side of integrating non-English-speaking children with their English-speaking peers, although they do not insist on the abolition of all native language instruction for brief periods. They argue that instruction for immigrant children in English-speaking classrooms advances a collective American identity in place of a communal identity that is inconsistent with the American dream. And a common American identity, they argue, does not harm immigrant children's individual "dreams."

The educators who support bilingual education, however, do not all fit conveniently into this framework. Rather than hoping to strengthen group identity, most argue that native-language instruction is the best way to ensure an eventual fluency in English for children of poor immigrant families—Spanish-

Ironically, according to a recent study, "the American dream is less common in the United States than elsewhere." But can school reform change this?

stems from a mistaken belief among white parents that going to school with blacks will harm their children's interests. Supposedly, resistance would wither if only whites understood that integration benefits blacks more than it harms whites. This interpretation fits neatly into the authors' effort to reconcile individual and collective goals. But readers may instead conclude that opposition to integration reflects racism, not a mistaken cost-benefit analysis by white parents. For example, Hochschild and Scovronick report opposition to "forced busing" continues even when integration reduces the amount of busing (because without integration, children are sometimes transported to racially homogenous schools that are more distant than integrated ones from their homes), and even as busing for purposes other than integration (school consolidation, for example) has grown without protest.

Other chapters are also informative but limited by the authors' attempt to squeeze everything into the same frame of individual-collective conflict. For example, Hochschild and Scovronick come

speaking children with semi-literate parents are often far behind in their own language as well as in English. If they lose even more academic time while studying English—before tackling other age-appropriate subject matter in a language they understand—they will fall too far behind ever to catch up. Some educational debates revolve more around unresolved issues of pedagogical effectiveness than differences of political philosophy.

Readers seeking useful summaries of the debates on several of the most controversial issues in American education today will be able to gain from this book. But the authors' theoretical framework provokes more questions than it answers. How to reconcile more equal educational outcomes with unequal occupational opportunities is a problem that is almost never considered in contemporary American education. This book evades it, but so conspicuously that readers will have to think further about the issue after putting the book down. ■

RICHARD ROTHSTEIN is a Prospect senior correspondent.

Mel, Meet Monty

BY TONY HENDRA

Hollywood's latest counterpunch to the impact of Mel Gibson's sects-and-violence blockbuster, *The Passion of the Christ*, is the re-release of Monty Python's masterpiece, *The Life of Brian*. Henry Jaglom, who is handling *Brian's* Second Coming, says,

"For [those] who are ... repelled by Gibson's violent, bigoted polemic, we offer a much needed dose of humor as an antidote ..."

Well, OK. Except that *The Life of Brian* is more than a lighthearted time-out from the volcanic emotions stirred up by *The Passion*. It satirizes the dark and dangerous reasons why works like *The Passion* get made.

The Life of Brian takes the only approach possible to such explosive material: oblique, referential, and, above all, well-informed. *Brian* is based on solid biblical scholarship. *The Passion* isn't. Gibson has admitted as much, claiming that it's based solely on the New Testament as interpreted by his guiding light, the Holy Spirit. (A common cop-out of film directors—blame the screenwriter.) Unsurprisingly, his ultra-literal portrayal of the Jews, though it's per the Jewish writers of the Gospels, has gotten him accused of anti-Semitism. *The Life of Brian*—written by six non-Jewish Englishmen—presents the Jews as conspirators, fanatics, hysterics, bigots, whores, and cross-dressers, but, in 25 years, has rarely encountered the same accusation. Sometimes liberal is better than literal.

It's the same with blasphemy. *The Life of Brian* attacks the core biblical crime in a hilarious sequence where Jewish women with fake beards stone a hysterical (in every sense) high priest played by John Cleese. Where *Brian* is fall-down funny, *The Passion* is merely ludicrous. Its endless flogging sequence makes you wonder if Gibson thinks Christ's most famous words were, "Take, beat, for this is my body."

When *The Life of Brian* came out in 1979, most of the outrage came from Christians, who condemned it—natch—as blasphemy. Actually, the movie is respectful toward Christian icons: The Nativity is shown in discreet long-shot (with halos); a solemn Jesus (no halo) gives the Sermon on the Mount. What's funny are Brian's moronic listeners ("blessed are the cheesemakers?") and the bickering revolutionaries of the People's Front of Judea ("it's the meek that are the problem!").

Director Terry Jones told me recently: "*Brian* isn't blasphemous. It's heretical." The Pythons set out, he says, to

ridicule "the propensity of religion to interpret the good man's words and works in order to gain power." Jones' favorite sequence occurs when Brian is anointed a reluctant messiah by the Jerusalem mob, who see his every action—losing a sandal, giving away a gourd—as proof of his divinity. "See, he has given us a SHOE!" "No—cast off the shoe! Follow the GOURD!" We know that within a generation, the Shoe-ists and Gourd-ists will be killing each other.

Jones gives us an eerily authentic look at the origins of fanaticism. And the Pythons are so secure in their middle-class, Home Counties personae that the question of whether Jews

are being caricatured—so evident in the Mel-o-drama—doesn't arise. These Israelites are solidly Church of England. Michael Palin as the Roman officer in charge of a hundred-odd crucifixions (including Brian's) is pricelessly Anglican: "Such a senseless waste of human life! Oh, well. Out the door. Line on the left. One cross each."

The Life of Brian casts a genial light on just how ugly and fanatic—and of our time—*The Passion* is. Gibson's movie is less a work of devotion than a call to arms. At other times

of upheaval in Christian history, a hideously suffering Jesus was a sign of trouble brewing. Behold what happened to our savior—someone's going to pay. During the Crusades, preachers preached Christ's agonies; inflamed crusaders often turned on the Jews in their march toward the Holy Land—frustrating the Church, which wanted the Jews' hatred fixed on the Saracens. Christus Agonistes has always gone hand in hand with the glazed-eye hope that ghastly torments await numberless sinners. Small wonder that Mel's audience is also devouring the genocidal fantasies of the final *Left Behind* book.

Not to worry, though. As Eric Idle sings (from his cross): "Always look on the bright side of life / Life is quite absurd / Death's the final word! / You must always face the curtain with a bow / So—always look on the bright s-i-i-de of life!" ■

TONY HENDRA's latest book, *Father Joe: The Man Who Saved My Soul*, will be published this month by Random House. Robert B. Reich will return next issue.

For sinners who'd rather laugh than suffer, a devilishly timed re-release of *The Life of Brian*.

Black Listed Cancer Treatment Could Save Your Life

Baltimore, MD— As unbelievable as it seems the key to stopping many cancers has been around for over 30 years. Yet it has been banned. Blocked. And kept out of your medicine cabinet by the very agency designed to protect your health—the FDA.

In 1966, the senior oncologist at a prominent New York hospital rocked the medical world when he developed a serum that **"shrank cancer tumors in 45 minutes!"** 90 minutes later they were gone... Headlines hit every major paper around the world. Scientists and researchers applauded. Time and again this life saving treatment worked miracles, but the FDA ignored the research and hope he brought and shut him down.

You read that right. He was not only shut down—but also forced out of the country where others benefited from his discovery. That was 38 years ago. How many other treatments have they been allowed to hide? Just as in the case of Dr. Burton's miracle serum these too go unmentioned.

Two-Nutrient Cancer Breakthrough...

Decades ago, European research scientist Dr. Johanna Budwig, a six-time Nobel Award nominee, discovered a totally natural formula that not only protects against the development of cancer, but people all over the world who have been diagnosed with incurable cancer and sent home to die have actually benefited from her research—and now lead normal lives.

After 30 years of study, Dr. Budwig discovered that the blood of seriously ill cancer patients was deficient in certain substances and nutrients. Yet, healthy blood always contained these ingredients. It was the lack of these nutrients that allowed cancer cells to grow wild and out of control.

By simply eating a combination of two natural and delicious foods (found on page 134) not only can cancer be prevented—but in case after case it was actually healed! "Symptoms of cancer, liver dysfunction, and diabetes were completely alleviated." Remarkably, what Dr. Budwig discovered was a totally natural way for eradicating cancer.

However, when she went to publish these results so that everyone could benefit—**she was blocked by manufacturers with heavy financial stakes!** For over 10 years now her methods have proved effective—yet she is denied publication—blocked by the giants who don't want you to read her words.

What's more, the world is full of expert minds like Dr. Budwig who have pursued

cancer remedies and come up with remarkable natural formulas and diets that work for hundreds and thousands of patients. *How to Fight Cancer & Win* author William Fischer has studied these methods and revealed their secrets for you—so that you or someone you love may be spared the horrors of conventional cancer treatments.

As early as 1947, Virginia Livingston, M.D., isolated a cancer-causing microbe. She noted that every cancer sample analyzed (whether human or other animal) contained it.

Six-time Nobel Nominee's Two-Nutrient Cancer Breakthrough Revealed

This microbe—a bacteria that is actually in each of us from birth to death—multiplies and promotes cancer when the immune system is weakened by disease, stress, or poor nutrition. Worst of all, the microbes secrete a special hormone protector that short-circuits our body's immune system—allowing the microbes to grow undetected for years. No wonder so many patients are riddled with cancer by the time it is detected. But there is hope even for them...

Turn to page 82 of *How to Fight Cancer & Win* for the delicious diet that can help stop the formation of cancer cells and shrink tumors.

They walked away from traditional cancer treatments...and were healed! Throughout the pages of *How to Fight Cancer & Win* you'll meet real people who were diagnosed with cancer—suffered through harsh conventional treatments—turned their backs on so called modern medicine—only to be miraculously healed by natural means! Here is just a sampling of what others have to say about the book.

"I bought *How to Fight Cancer & Win* and this has to be the greatest book I've ever read. I have had astounding results from the easy to understand knowledge found in this book. My whole life has improved drastically and I have done so much for many others. The information goes far beyond the health thinking of today."

—Hugh M.

"I can't find adequate words to describe my appreciation of your work in providing *How to Fight Cancer & Win*. You had to do an enormous amount of research to bring this vast and most important knowledge to your readers.

My doctor found two tumors on my

prostate with a high P.S.A. He scheduled a time to surgically remove the prostate, but I canceled the appointment. Instead I went on the diet discussed in the book combined with another supplement. Over the months my P.S.A. has lowered until the last reading was one point two."

—Duncan M.

"In my 55 years as a Country Family Physician, I have never read a more 'down to earth,' practical resume of cancer prevention and treatments, than in this book. It needs to be studied worldwide for the prevention of cancer by all researchers who are looking for a cure."

—Edward S., M.D.

"As a cancer patient who has been battling lymphatic cancer on and off for almost three years now, I was very pleased to stumble across *How to Fight Cancer & Win*. The book was inspiring, well-written and packed with useful information for any cancer patient looking to maximize his or her chances for recovery."

—Romany S.

"I've been incorporating Dr. Budwig's natural remedy into my diet and have told others about it. Your book is very informative and has information I've never heard about before (and I've read many books on the cancer and nutrition link). Thanks for the wonderful information."

—Molly G.

Don't waste another minute. Claim your book today and you will be one of the lucky few who no longer have to wait for cures that get pushed "underground" by big business and money hungry giants.

To get your copy of *How to Fight Cancer & Win* visit our website at www.agorahealthbooks.com/amer2 or call **1-888-821-3609** and ask for code **P6E4B** to order by credit card. Or write "Fight Cancer—Dept. P6E4B" on a plain piece of paper with your name, address, phone number (in case we have a question about your order) and mail it with a check for \$19.95 plus \$5.00 shipping to:

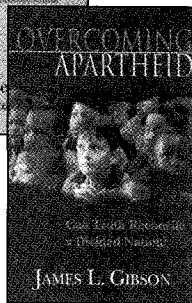
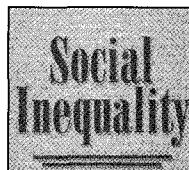
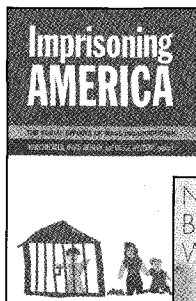
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